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*Life Insurance Edition*

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**FRIDAY, APRIL 1, 1938**

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# The NATIONAL UNDERWRITER

Forty-second Year—No. 13

CHICAGO, CINCINNATI, NEW YORK AND SAN FRANCISCO, FRIDAY, APRIL 1, 1938

\$3.00 Per Year, 15 Cents a Copy

## Financial Men's Comment on Some Investment Forms

### Hartford Officials Give Views on Railroad Securities, Federal Operation

HARTFORD—Federal Housing loans are still under investigation in Hartford life company offices. The Travelers is the only company thus far that has applied for a listing as "approved mortgagee," and it has been approved. This listing is necessary before any direct loans can be made. In spite of this approval, however, the Travelers has not yet made these loans to any appreciable amount. Other companies are still studying the contract forms, being unwilling to go ahead without considerable preliminary research. Among the companies which have invested heavily in these loans are the National Life of Vermont and the New York Life.

### Other Investment Forms

Government bonds are very much in favor, with municipals appearing somewhat less attractive to some of the companies. They are not considered as good investments as they once were. There are almost no new purchases of rail securities. Companies here have had an unfavorable experience with them, some losing considerably on these holdings. The whole subject of railroads is of real interest to company investment men. Their faith in rails seems to be gone, and they all seem to be holding on to their stocks and bonds in the hope that the government will do something. As it is now, one-third of the income of a railroad is taken out in taxes, according to the estimate of one investment man. The extreme number of defaults seems to be leading these men to one of two lines of thought: either there is the chance that wisely managed mergers might bolster up values considerably, or else the government might be forced to take over the roads.

### See Value in Mergers

Most have expressed their approval of the former procedure, feeling that coordination among a number of roads would lead to more stability. It is imperative, said one, that strong action be taken to relieve any industry being for one reason or another so broken down that security holders are in danger of losing heavily. Paper losses of some of these companies on railroad securities are as high as 75 percent, though the average will be far less than that.

There is in some offices a distinct lack of confidence in the ability of the government to operate the railroads competently. One financial man stated that since government control of the roads would mean lack of competition, the public and the roads themselves would suffer under such a system.

On the whole, however, government

## Millionaires Are Accredited by Round Table Committee

The executive committee of the Million Dollar Round Table, which met in Richmond simultaneously with the mid-year sessions of the National Association of Life Underwriters, approved members for the 1938-1939 roster.

Examination of credits presented for recognition this year prompted the committee to incorporate new credit definitions into the by-laws now being drafted. It has been found that there is considerable variation in company practices regarding credits to agents for annuities, group insurance and unusual contracts. This disparity prompted the Million Dollar Round Table to determine a maximum amount of credit which may be included in an applicant's totals for qualification.

### Lauer Resumes Tour

At the executive committee meeting, Jack Lauer, chairman, made informal report of his extensive speaking tour which recently was suspended for a two-weeks rest period following talks before record breaking attendance at key New England points, including Springfield, Providence and Boston. He was to resume his tour about April 1, in response to wide demand for his talk on "What Is the Difference?"

Several individual and informal reports were received by the committee on personal and group reactions to the Million Dollar Round Table's interest in an intensive study of increased longevity as pertaining to purchasers of large life insurance lines.

The accredited members are:

### Life and Qualifying Members

Edward L. Arthur, independent, New York and Tampa; Daniel Auslander, Massachusetts Mutual, New York; Lloyd H. Bunting, Equitable Society, New York; Thomas K. Carpenter, Northwestern Mutual, New York; S. Henry Foreman, Mutual Life of N. Y., Chicago; Isaac S. Kibrick, New York Life, Brooklyn, Mass.; Jack Lauer, independent, Cincinnati; Maurice Linder, Travelers, Brooklyn, N. Y.; Henry G. Mosler, Massachusetts Mutual, Los Angeles; Robert C. Newman, New England Mutual, St. Louis; Alfred J. Ostheimer, 3rd, broker, Philadelphia, and Wilmington, Del.; Joseph H. Reese, Penn Mutual, Philadelphia; Paul C. Sanborn, Connecticut Mutual, Boston; William E. Sander, Mutual Life of N. Y., Seattle; Jacob W. Shoul, Mutual

Life of N. Y., Newburyport, Mass.; Malcolm D. Vail, broker, Chicago; Harry T. Wright, Equitable Society, Chicago; Harry E. Wuertenbaeher, Penn Mutual, St. Louis.

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## Senate Finance Committee Votes to Impose 18 Percent Tax on Insurance Companies

WASHINGTON, D. C.—The Senate finance committee on March 28 voted to impose upon insurance companies the same rate of tax, 18 percent, as is to be applied to other corporations under its draft of the administration's tax revision bill.

### Rate Now 15 Percent

At present, insurance companies are subject to a tax of 15 percent, but under the bill as passed by the House of Representatives, in which relief was granted to small corporations, the insurance company rate was increased to 16 percent. The finance committee, eliminating the undistributed profits tax entirely, is seeking to keep revenues to their present level by the higher flat corporation tax rate.

## Ten Years Continuous in Weekly Production

By completing 520 weeks of consistent production March 24, E. E. Moore of the White & Odell agency, Minneapolis, became the 11th man in the App-a-Week Club of the Northwestern National Life to complete a decade of membership. Mr. Moore has qualified regularly for the club since 1928. In recognition of this achievement he has been presented a cash prize of \$100 and a special gift award of a pair of sterling silver candlesticks.

## Increased Scope in Departmental State Supervision

### Commissioner Blackall of Connecticut Gives His Views

HARTFORD—"Citizens are beginning to feel that administrative and executive officers are more than just regulatory officers," commented Commissioner J. C. Blackall in a talk before the Hartford Life Underwriters Association. The growing awareness of and confidence in our state and federal officers has been particularly noticeable in the field of insurance, where such officers are now the recipient of numerous legal and technical questions which formerly were considered matters for the attention of the legal profession or the courts.

### Service Has Broadened

"Some years ago," said Commissioner Blackall in an exclusive interview with your correspondent, "the insurance commissioner's office devoted its attention mostly to the conditions of the companies and the broader aspects of company management. The same attention, of course, is given nowadays, but other problems also take up time.

"When the world war came on us and the government took over the railroads and one or more members of every family was under arms or in camp, and the government passed food control bills and began to pass much more general legislation, it became evident that it was thus gaining a far broader spread of power than ever before. Individuals and business firms began to realize that legal measures could affect their daily lives quite intimately. As a partial result, citizens have gradually come to look to the state and federal governments for jurisdiction on matters which formerly never came to their attention in an official manner.

### More Intimate Relationship

"The increasing number of inquiries coming to the insurance departments today does not indicate that such inquiries were not in the minds of the people years ago, but that there is now a more intimate relationship between the public and its administrative officers, by reason that today, through hearings and other means many matters are being decided which once required the attention of the courts.

"It seems to me a wholesome and healthy thing for the public to feel that its officers are its servants rather than detached and removed administrators. The companies themselves realize this, and their cooperation with the department in these classes of cases has been quite marked.

"Last week a man came to my office who had been paying on a policy for many years, feeling that under a facility

(CONTINUED FROM PAGE 18)

## Evils of Sloppy Thinking Detailed in N. Y. Lecture

NEW YORK—The evils of conclusion-jumping were aired by Dr. W. J. Reilly, director National Institute for Straight Thinking, New York City, in the New York City Life Underwriters Association's lecture course. E. Vernon Carbonara, State Mutual Life, New York City, dealt with straight talking as applied to life insurance selling.

No aged sage, Dr. Reilly carried lightly his Ph. D. degree and impressive title and launched directly into a man-to-man talk on the silliness of much of what passes for thinking even among supposedly civilized human beings. People are prone, he said, to take one or two facts, inject several highly inaccurate opinions of their own, and draw conclusions which are usually either downright wrong or else so general as to be worthless. Instead they should consider all possible alternatives, thereby coming to a conclusion which has a good chance of being correct, he said.

### "Business Was Bad"

Dr. Reilly told of an executive for a nationally distributed food product who told him that while sales were good on the Atlantic seaboard they were poor in the middle west. From this he had concluded that the demand was slackening for the product but all he could do was to wish that the demand were as great in the middle west as in the east.

Analysis, however, showed that sales were up in the east, not in all sections, but in New York state. Further analysis showed that the increase was all concentrated in New York City. By sending out investigators in New York it was learned that all the sales increases were in the Jewish areas, the big demand being due to the fact that the product had no animal fat in it and hence there was no question of violating Jewish dietary laws. It was the first time that the company realized that it had a sales factor in the fact that its product was kosher.

### Drop Not General

On the other hand, however, analysis of the middle west situation showed that the precipitous drop was not occurring all over the middle west but only in Illinois and primarily in the Chicago area. The drop was among the chain outlets mainly the biggest one. It turned out that there had not been a real drop but that the principal chain had been making a study of its trucking operations and had discovered that it could distribute more economically to the Chicago area by having goods shipped direct to warehouses. Some of these warehouses were outside the company's east north central zone, so that much of the apparent drop in sales was merely a reallocation of shipments.

Applying the principles of straight thinking to life insurance solicitation, Dr. Reilly said he had the general impression that men in the insurance business are amazingly ready to let themselves be put on the defensive, an attitude which is bad in selling anything. When an agent's secretary calls up to make an appointment any inquiry as to whether the aim is to sell insurance is likely to be met by the reply, "Oh no, we just want to explain a new development."

### Like Neglecting Teeth

The prospect should be made to realize, Dr. Reilly said, that in putting off consideration of his insurance situation he is deciding to have trouble for himself later on just as much as when a man puts off a trip to the dentist he is in effect deciding to have a toothache sooner or later. In making a retirement income sale Dr. Reilly recommended

that the agent ask the prospect if he has the retirement problem solved, that is he is certain of having enough money on hand to take care of himself when he reaches 65.

"If you have got this thing licked I have nothing to discuss with you," he advised saying. "If you haven't enough to take care of yourself at 65, you have got a problem. There are a number of ways it can be solved. Insurance is not the only way. Insurance is only one way but all the evidence I have collected indicates it is the best way. I want to make an appointment for one week from today. That will give you time to think of a better way of meeting your problem, because if there is a better way I want to know what it is because then that's what I should be selling."

### Must Have Belief

Dr. Reilly stressed the vital necessity of having a strong belief in the insurance business, saying that the agent who doesn't have this belief would be doing himself a great kindness and the insurance business a great service to find some other line of work. There are three types of salesmen, he said, the first dominated by intellect, the second by personality and the third by belief. The first two types can be won away from the life insurance business by offers of more money but the man who really believes in life insurance cannot be so influenced, he said.

"If you honestly believe you have a great opportunity for human service, you begin to sell the easy way, make more profit for yourself, become more of a missionary, enabling people to live with less misery and anxiety and with more pleasure," Dr. Reilly said.

Mr. Carbonara, taking over the

"straight talking" part of the program began by offering up thanks that whether men think logically or not they act anything but logically. He said that this lack of logical action may make it difficult to sell life insurance but that if men were completely logical there would be no place for the agents since buyers would rush in to buy without being solicited.

Always do everything possible to help your prospects and clients and the rewards will take care of themselves, Mr. Carbonara advised. He recited an instance of this from his early days in the business. His general agent asked him to go out and take care of a man who wanted a \$5,000 policy loan. It was extremely inconvenient to make the call and obviously there was no outlook for a sale. In the course of conversation with the policyholder it came out that his policies had never been checked over. Mr. Carbonara did the job and found there would be an actual saving in money by converting some of the term insurance to ordinary life, particularly as the policyholder was anxious to hold down expenses for the ensuing two years.

When the changes he advised were put through Mr. Carbonara was surprised and pleased to find that he had earned approximately \$3,000 for converting the policies. He had not known that there would be any compensation whatever.

### "Never Be a Witness"

Mr. Carbonara passed along a device he has found valuable, namely, when settlement option papers or other documents require the signature of a witness the agent should never act as the witness. There are two reasons for this. First, if it should ever become necessary to authenticate the signature, it would be easier to get someone from the man's own office rather than hunting up the agent, but more important from the agent's point of view is the fact that when the policyholder produces the witness it opens a new contact which often results in sales.

## Simple Comparison Melts Term Advocates' Plea

NEW YORK—The Gilbert book, "Life Insurance: a Legalized Racket," rarely gums up a life insurance sale any more but the prospect who brings up the book's claims can be extremely troublesome, particularly to a broker, who hasn't had much experience as a full time man in meeting these objections.

The most difficult claim to explain away, though perhaps the most fallacious in the book, is that life companies "confiscate" reserve when they pay claims, since only the face amount of the policy is paid, no matter how much of a reserve has been built up. G. A. Sharpe, manager brokerage department Mutual Benefit Life, New York City agency, has evolved a letter and tabulation which has proven helpful in saving cases for brokers confronted with objections from pages of "Life Insurance: a Legalized Racket."

Answering the contention that be-

cause life companies "confiscate" reserves, and that hence one should pay the life company for protection only and do his own investing of what would otherwise be reserve, Mr. Sharpe's letter takes two hypothetical cases and to simplify the figures compares the net premium rate (without loading for expense) on the American experience table of mortality at 3 percent interest.

### Anticipates Argument

Mr. Sharpe points out that a comparison of column 7 with column 2 shows that there is practically no difference mathematically between accumulating the reserve for oneself and letting a life insurance company do it in the form of a reserve. Furthermore, there can be obviously no question of "confiscation" as the reserve, whether accumulated by the company or by the individual independently, must be added to the net amount at risk in order to

	(1)	(2)	(3)	(4)	(5)	(6)	(7)
	Ordinary Life Net Prem. Age 55	Ordinary Life Reserve	Amount at Risk	Net Prem. 1 Yr. Term at Risk	1-Year Term Prem. on Amount at Risk	Difference Available for Investment	Total Difference at 3% Compound Interest
Year							
1.....	\$ 45.54	\$ 28.87	\$971.13	\$ 18.03	\$ 17.91	\$ 27.63	\$ 28.46
2.....	45.54	57.91	942.09	19.30	18.18	27.36	57.49
3.....	45.54	87.08	912.92	20.70	18.90	26.64	86.65
4.....	45.54	116.33	883.67	22.26	19.67	25.87	115.90
5.....	45.54	145.61	854.39	24.00	20.21	25.33	145.47
6.....	45.54	174.86	825.14	25.92	21.39	24.15	174.71
7.....	45.54	204.02	795.98	28.03	22.31	23.23	203.88
8.....	45.54	233.05	766.95	30.38	23.30	22.24	232.90
9.....	45.54	261.90	738.10	32.94	24.31	21.23	261.75
10.....	45.54	290.50	709.50	35.79	25.39	20.15	290.36

## Jess Read Fires "Opening Salute" in Oklahoma

Commissioner Jess G. Read of Oklahoma has addressed to special and general agents of fire and casualty companies what he terms an "opening salute." It is the announcement that he intends to seek the Democratic nomination for insurance commissioner in the July primaries. He states that the announcement is somewhat "premature" but that he decided to make it "because of widely circulated and unauthorized reports that I would not be in the race this year."

Mr. Read claims there has been a more harmonious understanding between the companies, special agents and local agents and the Oklahoma department during the 14 years of his administration than has existed in any adjoining state.

### "Capricious, Arbitrary, Communistic"

Mr. Read states he has enforced the law as it is written. "Any person who promises to do otherwise is capricious, arbitrary and communistic," he declared.

"I carry fire, tornado, hail, plate glass, public liability, property damage, surety bond and life insurance," Mr. Read states. "Every nickel's worth of this business is in the so-called 'single line, old line or stock companies.' Not one penny's worth is in a mutual or reciprocal fire or casualty company."

"I have never as a public official furnished a mutual company with a complimentary letter over my signature to be used as a full page advertisement in said company monthly magazine. I have never appointed or designated a representative to examine the books and affairs of a mutual company, who at the same time was a licensed agent or employee of said mutual company."

Those familiar with the Oklahoma situation discern in Mr. Read's "Opening Salute" reference to the activities of S. W. Philpott, who was a member of the Oklahoma insurance board. He and Mr. Read engaged in several spectacular battles. There was a special legislative investigation and Mr. Philpott was removed from office. Apparently he is now seeking the nomination in competition with Mr. Read.

produce the desired \$1,000 of insurance coverage.

Anticipating the prospect's objection that 3 percent is too conservative an estimate of interest earnings on the reserve he would accumulate independently, Mr. Sharpe points out that over a period of years a life company also would undoubtedly earn more than 3 percent and that if an individual were to earn greatly in excess of what a life company would earn he would be placing his funds in securities involving greater hazard than a life company would consider safe.

In an adjoining column is given Mr. Sharpe's tabulation.

### Named Canadian Supervisor

Bruce W. Robinson has been appointed agency supervisor for Canada for the Mutual Life & Citizens Assurance of Australia. He was formerly Toronto supervisor.

## Justin Peters Will Retire as U. S. Chamber Director

Justin Peters, president Pennsylvania Lumbermen's Mutual Fire of Philadelphia, who has been an insurance director of the United States Chamber of Commerce for some years, has announced that he does not desire to serve again in that capacity. The annual meeting of the U. S. Chamber will be held on May 2-5. J. H. R. Timanus, assistant secretary of the Philadelphia Contributionship for the Insurance of Houses from Loss by Fire, has been nominated as the successor and no one else has been placed in nomination.



## Agricultural Life Put in Charge of Court Custodian

### Michigan Department in Serious Charges as to the Conduct of the Company

LANSING, MICH.—Following confirmation of a report from Cleveland that Bruce Brady, president of the Agricultural Life of Detroit, had been indicted by a federal court on charges of using the mails to defraud, Commissioner Gauss went into court here and obtained an order for a temporary custodianship for the company, which has been under surveillance of the department for some time.

Judge Carr of Ingham county circuit court, in addition to providing for the immediate custodianship, cited the management to show cause at a hearing here April 8 why a permanent custodianship or receivership should not be ordered. He also issued a temporary injunction to prevent further transaction of business and to head off the filing of any suits by creditors.

#### Some of the Charges

Commissioner Gauss, under authority of the court, designated L. R. Mangold, one of the department's chief examiners, as custodian and department representatives were dispatched to Detroit to take charge.

Examiners had been working on a report this week, the commissioner revealed. The petition filed with the court incorporated many of the findings. It charges underwriting mismanagement, an impairment of the capital stock of at least \$69,000 and said to exceed 15 percent, violations of powers granted under the corporate charter, publication of a misleading financial statement, and pursuance of policies which alienated key executives and brought about their resignations.

#### Discrepancies Are Shown

The petition charges a discrepancy between the annual statement, filed with the department and purporting to show the condition as of Dec. 31, 1937, and the actual financial condition as revealed by examiners. The court was advised that an examination started Jan. 17, at which time 6,956 policies were found to have been in force, representing \$9,340,914. The annual statement showed assets of \$3,503,579, it was stated, and liabilities including policy reserves, of \$3,138,426, plus a contingent liability of \$20,542 for retirement of a certain contribution made by stockholders, and capital stock of \$250,000. Unassigned surplus and reserves as regards policyholders were placed at \$94,613.

The first preliminary balance sheet of examiners, the commissioner set forth, disclosed assets of \$3,618,935 and liabilities, including policy reserves, of \$3,179,289, plus capital stock of \$250,000, resulting in a deficit of \$68,944. The preliminary examination, it was further stated, showed the discrepancy between the company's statement and the condition revealed by the examiners was due to understatement of minor and miscellaneous liabilities and to excessive overcapitalization and inflation of real estate book values. An impairment of capital stock exceeding 15 per cent was indicated by the preliminary examination report.

The examiners also found, the petition alleges, that the company had been engaged in negotiating mortgage loans for the purpose of immediate resale in direct violation of purposes set forth in

(CONTINUED ON PAGE 21)

## Life Men Urged to Study Tax Trends in Developing Sales

DETROIT—Many conflicting tax decisions and interpretations have been handed down by the federal courts and United States board of tax appeals, creating much confusion in tax matters, said Raymond H. Berry of Berry & Stevens, federal taxation authority, at a lecture in the series sponsored by the H. C. White general agency of the Connecticut Mutual Life.

It behooves the insurance man to consider the study of tax problems as a necessary adjunct of his business. For example, an estate may be subjected to more than one state inheritance tax due to the fact that a man may have legal domicile in more than one state, in which case each state might collect an inheritance tax. This situation may be avoided by careful preparation during the lifetime of the owner through a well-devised life insurance program coupled with a program of gifts consummated through carefully drafted trust instruments tied in with a will. Under existing conditions, these three—insurance, trusts and a will—are essentials of a carefully planned estate.

#### Trend Toward Higher Rates

The trend of federal estate and gift taxes and state inheritance taxes is towards higher rates, lower exemptions and more stringent enforcement, said Mr. Berry. As a result, life underwriters should watch federal and state legislation closely, particularly since attempts may be made to include life insurance proceeds as a part of the taxable estate even where life insurance policies have been placed in trust.

One evidence of the present trend is the attempt to extend inheritance and

estate taxation more effectively to property transferred by gifts on the theory that these constitute transfers in contemplation of death. When clients wish to make gifts, Mr. Berry suggests that the donor or grantor purchase a policy of life insurance at the time of making the gift. If at the death of the donor an attempt is made by the taxing authorities to tax the gift on the theory that it was made in contemplation of death, the attorney for the estate is in possession of a contract between the donor and the insurance company which is evidence that the donor was not in failing health. This contract at least establishes the condition of his health, leaving only one other source from which the taxing authorities could hold that the gift was made in contemplation of death, that being the state of decedent's mind. This, of course, could only be proven by circumstantial evidence.

#### Takes Effect After Death

Another extension of the principle of estate and inheritance taxation is its application to transfers of property "to take effect at or after death" as distinguished from gifts made "in contemplation of death." Such gifts occur most frequently where a donor establishes a trust but attempts to retain control over it by making the trust revocable or subject to amendment, or by retaining the right in himself to change the beneficiaries or alter the distribution of the corpus. This, of course, applies to a trust, the corpus of which consists of life insurance policies as well as other securities. For the purpose of creating a trust, life insurance policies are to be

(CONTINUED ON PAGE 21)

## New Little Gem Chart Is Big Aid to Salesman

### Publication Is Prepared so as to Assist in Motivating the Prospect

Each page of the new Little Gem Life Chart for 1938, just off THE NATIONAL UNDERWRITER press and now being delivered, has been carefully and individually planned by the statisticians with the object constantly in mind of helping the agent to show the prospect what life insurance can do for him. All those who have seen copies of the new Little Gem acclaim it as the most complete and usable issue in the history of this publication. Each illustration, example and explanation has been so set up as to be most effective in presenting appealing programs and in focusing attention on "needs."

Stress has been placed upon the Little Gem's strictly non-competitive uses and its sales-making possibilities. Even the jacket which comes around each copy of the Little Gem gives and describes with reference to actual Little Gem pages, a number of selected sales-making presentations covering various situations which confront the agent frequently. Each of these suggestions may be easily modified, enlarged or adopted to fit in with usual sales methods.

#### Sales Making Presentations

Among the Little Gem's many important new features are a large number of sales-making presentations of guaranteed incomes, values at retirement ages and "need-illustrating" basic tables from which not only practically any income at retirement may be easily determined but also the amounts of insurance needed for any purpose as well as the options to be used in setting up the prospect's planned estate. While the new Little Gem gives the actual guaranteed incomes payable under the various options and for convenience shows these incomes directly with the rates, values, etc., it also has a large special section in the back of the book, showing for some 100 companies not only the guaranteed incomes but also the numerous basic "need-illustrating" tables and charts.

In this special settlement option section is given (1) an explanation of the several forms of settlement options, how to use them—including how to determine the incomes payable by almost any contract, (2) a page giving the rates of interest now being paid by the companies on proceeds of policies, (3) a new page devoted to the interest only or trust fund option bringing out its best uses, (4) a new showing of the fixed installment option at various rates of interest showing how long various sized incomes will last per \$1,000 of proceeds together with the same information based on \$100 incomes from various amounts of insurance.

#### Extra Income Values

Another interesting new page in this section gives in detail the "extra-income-values" of extra units of insurance (covering units of \$1,000, \$2,500, and \$5,000) and showing for instance, that the first \$5,000 of insurance "incomed" at 3 percent is worth \$5,300 of income, the second \$5,000, \$6,200 of income, etc., particularly valuable in directing attention to extension of income "until the boy is at least educated," etc.

Following this are two especially useful tables for setting up the family maintenance plan (or for any combination of incomes and deferred payments)

(CONTINUED ON PAGE 10)

## HIS SIXTY-FIVE HEIRS

This is a typical example of life insurance search for men and women whose addresses are unknown when payments have become due or have remained unclaimed when overdue.

On the insured's 80th birthday, if he were living, he would be entitled to \$159, from a policy taken in 1862 which lapsed in 1874; his wife the beneficiary, if living, at his prior death; otherwise, his estate. Payment time came, but he couldn't be found. In July, 1936, the postmaster in the "old home town" gave the name and address of one of the family. The dead, we found, were the insured, his wife, their children, and his six brothers and sisters, who survived the wife.

After a long period of tracing, 65 descendants one by one were discovered,—nephews and nieces, grandnephews and grandnieces, of the insured,—scattered throughout the Eastern states, and one in the American Embassy at far-away Peking. Some received as little as 15c, and others as much as \$6.63, dependent on the degree of blood relationship.

Such an incident of payment to the last penny is matchable by every other long-established life insurance company.

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THE PENN MUTUAL LIFE INSURANCE CO.

WM. H. KINGSLEY, President.

Independence Square

PHILADELPHIA

## N. Y. Legislative Code Committee Makes Report

The joint legislative committee in New York on revision of insurance laws has submitted a brief report. This is the committee that conducted the numerous hearings on the proposed recodification project in New York. The transcript of the hearings, the committee reports, amounts to about 3,000 pages. Numerous changes were made from the original code sponsored by the department and the committee states that about 50 percent of the objections that have been voiced have been eliminated.

Originally it was the intention to have code passed in the session of the legislature that has now adjourned, but the hearings developed such a mass of suggestions that this was found impossible. Members of the committee agreed that the work is not completed and the committee should be continued for another year. The legislature perpetuated the committee and made an appropriation.

The committee expresses the belief that it should thoroughly investigate fire insurance rates in certain parts of New York, it should study the question of whether the state should permit companies to write multiple line policies, investigate the need for extending the

scope of hospitalization corporations to include medical and dental services and the subject of industrial life insurance.

These latter provisions were eliminated from the bill perpetuating the committee. The committee stated that many believe that the rating organizations have sometimes adopted arbitrary fire rates.

In requesting to be permitted to investigate industrial life insurance, the committee referred to a hearing that it conducted Feb. 11, in New York City. Over 400 pages of testimony was taken. The committee said that the lapse ratio problem in industrial insurance is considerable. The lapse record, the committee characterizes as "a public disgrace."

## Actuaries Hear Neilson

DETROIT—The income tax return forms used by insurance companies were discussed in detail by A. Neilson, assistant treasurer of the Standard Accident, at the March meeting of the Michigan Actuarial Society. He also discussed and led an open forum discussion of the corporate form required to be filed by the casualty companies. W. G. O'Connell, chairman of the program committee, led a discussion on forms to be filled out by the life insurance companies.

## Status of DeCelles Is Still Wholly Uncertain

### Term Expires Next Week—May Continue in Office Until Governor Makes Appointment

BOSTON.—The term of Commissioner DeCelles will expire next week, but so far there is no indication whether he will be reappointed, will be succeeded by someone else, or be allowed to continue in office as a holdover until the governor sees fit to name a new commissioner.

Probably no Massachusetts commissioner has ever had such a hectic administration. A purely political appointee, coming to the department with no insurance background, having previously been an instructor in English and untrained in the law, Mr. DeCelles very quickly demonstrated his ability to grasp the essentials of the business and in a short time was handling the department almost like a veteran.

However, it was not a rosy path. He was compelled to congest his department with unnecessary employees during the administration of the governor who appointed him. With the advent of a new chief executive not in sympathy with the first it became necessary to readjust matters.

### Big Fight on Liability Rates

The making of compulsory automobile liability insurance rates, the bete noir of a Massachusetts commissioner, brought down the house around Mr. DeCelles' head. The companies, for the first time after many years of threats, finally went to the courts and tested the adequacy of the commissioner's schedules. A hollow victory was won after nearly a year's contest and except for headaches for the commissioner, the companies and all those handling automobile liability in Massachusetts, the protested and discredited schedule was allowed to stand, repromulgated to meet some technicalities.

Then came the investigation of the career and closing of the Commonwealth Mutual Liability, which consumed some months of hearings before a legislative investigating committee and a most sensational report in which the commissioner was severely criticized. That report is still in the legislature awaiting final disposal.

A brilliant public speaker, with an ability to come up smiling after the most strenuous conflict, keenly alive to the defects and deficiencies of the insurance business, which provide no mean weapon, Commissioner DeCelles has been constantly alert throughout his term of office and demonstrated his capacity for becoming an outstanding commissioner. Opposition has been aroused because of his strenuous demand for greater and greater regulatory powers, which successive legislatures, however, have continued to deny him. As a supervising official he has conducted the affairs of the department exceedingly well.

The ability Mr. DeCelles has shown in office is undoubtedly responsible for the non-appearance of any likely candidate to succeed him. The present governor has no desire to make a purely political appointment, and thus offend many who might be presumed equally competent for the place, although it is well known that he does not look upon the present commissioner as one of his reliable supporters. It is also understood that some of the casualty companies, feeling they have tested the pulse of the present commissioner, would prefer he remain in office rather than take a chance on something unknown.

It now appears that Mr. DeCelles may remain in office as a holdover until such time as the governor may find it convenient to reward some faithful follower and name a new commissioner without inviting too many disappointments in his own camp.

## Actuary of Philadelphia Life Is Dead



E. M. BLEHL

E. M. Blehl, actuary of the Philadelphia Life, died at his home in Philadelphia at the age of 66. He had been actuary of that company for 32 years. After graduating from Lehigh University, he served as an electrical engineer and was connected with a number of electric power installations in the neighborhood of Philadelphia. He later became interested in the actuarial side of life insurance. He was an associate of the Institute of Actuaries of Great Britain and Ireland, a fellow of the Actuarial Society of America and an associate of the American Institute of Actuaries.

## NEWS OF WEEK

Investment officials of Hartford Life companies much concerned about status of railroad securities. Page 1

First list of qualifiers for Million Dollar Round Table is announced. Page 1

Commissioner Blackall of Connecticut, in an interview, tells about the growing work in departmental supervision. Page 1

Evils of sloppy thinking decried by New York speaker. Page 2

Simple comparison shows term insurance fallacy. Page 2

Agricultural Life of Detroit is placed in charge of a custodian. Page 3

New Little Gem Chart has many features that will help make sales. Page 3

Detroit expert urges study of tax trends as aid in developing sales. Page 3

Status of Commissioner De Celles of Massachusetts still very much in doubt. Page 4

Commissioners' chief names special committee to take up publications attacking life insurance. Page 6

Life insurance exhibit will be found in the Department of Commerce building, Washington, D. C., during "Annual Message of Life Insurance" week. May 8. Page 3

Important insurance measures await action by New York governor. Page 20

Travelers now writing payor clause with juvenile policies; brings out additional retirement income forms. Page 22

Importance of improving persistency, making appeal to average buyer stressed at Research Bureau meeting. Page 24



## 21 PERSONALS

ARE YOU in life insurance to STAY? We are. Approaching our first third-of-a-century, we're planning already our semi-centennial!

DO YOU aspire to go FAR in life insurance? We do. Approaching our first half-billion of business in force, we're organized already (to begin with) for our first BILLION.

DO YOU, as a "career" man, seek to SPEED your career? We do. Zooming upward from a pre-depression \$100,000,000 to a post-depression \$400,000,000, our business in force increased last year by 35%—probably the greatest relative increase in America.

DO YOU find stimulating the VIRILITY this suggests? Does SWIFT advancement interest you? Life-time renewals? The chance for a General Agency? Can you find yourself on this map?

WRITE a letter, then, to Vice President V. H. Jenkins, Occidental Life, Los Angeles. Tell him why you, too, want to go farther . . . FASTER!



## Life Insurance Exhibit Planned at Washington, D. C.

**Will Be in Department of Commerce Building During Annual Message Week**

WASHINGTON, D. C.—A life insurance exhibit will be held this year again in the Department of Commerce building here, the week of May 9. The display of individual company insignia, symbols, and trademarks developed so marked an interest last year, when the exhibit was given for the first time, that the department has not only extended its cooperation, but has invited the committee to use its facilities again during the week of the "Annual Message of Life Insurance" and has offered the use of the auditorium, making an even more effective exhibit possible.

### Character of the Exhibit

The exhibit will, according to K. R. Miller, chairman of publicity, be composed of material contributed by the individual companies showing the growth and development of life insurance in the United States. A large part of the material will be of an historical nature, and it will be supplemented by a graphic arts display portraying the current national advertising of a few companies and showing how a life insurance advertisement is built. Another feature will be the display of individual company histories and other booklets of the institutional type.

In addition to the material from the companies, there will be displays by insurance organizations and national associations. Cooperating with the national committee for life insurance education are Guerra Everett, chief of the division of commercial law of the Department of Commerce; Earl Sapp, general agent, New England Mutual, and W. G. Batchelder, manager Connecticut Mutual, all of Washington.

## New Hampshire Doesn't Have to Change Tax Base

The New Hampshire attorney-general has discovered provisions in the laws of that state that are expected to prevent any loss in premium tax revenue because of the United States Supreme Court decision in the Connecticut General Life case. In that case, the supreme court held that a state (California) could not impose a premium tax upon reinsurance premiums ceded under a reinsurance treaty that was effected outside of California, even though the reinsurance was in respect of risks located in California.

The New Hampshire law provides that reinsurance policies shall be written only by duly authorized agents residing in the state. Another section provides that fire, marine, fidelity and casualty companies shall pay a tax upon the gross premium, less reinsurance, "when effected in authorized companies by the companies' licensed resident agents."

These statutes, according to the attorney-general, clearly require that reinsurance be effected in New Hampshire and by agents subject to New Hampshire jurisdiction and, therefore, the premiums on such reinsurance contracts are taxable. In a letter to companies, Deputy Commissioner S. M. Sheldon states the New Hampshire department expects companies to pay their annual fees and taxes immediately on the usual basis.

### SITUATION IN OHIO

COLUMBUS, O.—A special session of the Ohio legislature may be called soon to levy additional taxes for poor relief. Insurance men are much concerned, as it has been reported that an effort may be made to levy a new tax on insurance premiums.

An effort may be made at the special session to change the Ohio law to conform with the recent opinion of the United States Supreme Court in the California-Connecticut General case. It is understood that some of the life and casualty companies are paying the entire tax, as are the National Board fire companies, while others either are going to withhold payments in dispute until the Ohio case is decided (it is now in the common pleas court) or pay the tax after deducting reinsurance premiums received on the assumption that the Ohio law will be declared unconstitutional. Undoubtedly the Ohio law will be amended to tax all premiums received without allowing a deduction

for amounts paid for reinsurance, so that the law will again be as it was prior to 1933. It is said there is no serious objection among the companies to such an amendment.

### Baltimore Cashiers Organize

BALTIMORE—The Baltimore Life Agency Cashiers Association was formed recently with R. S. Armstrong, Aetna Life, as president; H. F. Kreis, Penn Mutual, vice-president; D. N. Proctor, Connecticut General, secretary.

The following were elected to the executive committee: M. K. Albert, Guar-

dian Life; J. M. Davitt, Reliance Life; J. C. Johns, John Hancock; L. M. Leslie, National Life of Vermont.

This association is the fourth of its kind to be organized in the country. The object is to promote good fellowship, interchange ideas on office management and procedure, advance the interest of the members and improve their capacity for effective service.

**Hoodoo Day** is lucky for accident insurance salesmen. For details on special sales plan write The Accident & Health Review, 175 West Jackson Blvd., Chicago.

# They Serve Their Country Well

AMERICA has twice as much life insurance as all the rest of the world together. *The credit for this remarkable progress belongs largely to America's able, industrious life underwriters, operating under the agency system.*

	Life Insurance in Force *	Life Insurance per Capita
United States	\$110,000,000,000	\$846
Canada	6,406,000,000	\$622
Great Britain	20,000,000,000	\$445
Australia & New Zealand	1,953,000,000	\$241
Netherlands	1,648,000,000	\$196
Scandinavia	2,500,000,000	\$196
France	3,486,000,000	\$85
Japan	3,500,000,000	\$50

\*U. S. A.—1937. Others 1936, except France and Scandinavia 1935. Great Britain, estimated 1936. Most figures for foreign countries furnished through courtesy of U. S. Dept. of Commerce.

New England Mutual pioneered in developing the American agency system. Agents were active in New England, New York, and along the Atlantic and Gulf seaboards as early as 1844. Its representatives were first to bring life insurance to the Pacific Coast and Honolulu. An agency was located in Chicago before the first railroad entered that city.

The achievements of New England Mutual agents are clearly reflected in their Company's performance: its new business has more than tripled in the last twenty years, and its record of persistency is notable. With sympathetic understanding of Fieldmen's problems, the Company has consistently promoted the highest standards of life insurance service.



## NEW ENGLAND MUTUAL Life Insurance Company of BOSTON

GEORGE WILLARD SMITH, PRESIDENT

★ AGENCIES IN 39 STATES AND HAWAII ★

## Nation Is Operating on Business Levels of 1931

MINNEAPOLIS—The nation is now operating at 1931 levels of business activity, with industrial payrolls, unemployment, department store sales, and numerous other economic indexes paralleling 1931 figures with surprising closeness, a comparative tabulation by the Northwestern National Life shows.

Industrial production for 1931 averaged 81 percent of the 1923-25 normal, reached a high of 122 in March, 1937, but registered 80 in December, 1937, and for the first three months of 1938 is running a little under 80, measured by the same Federal Reserve Board index.

Unemployment totals in 1931 averaged a little under 9,000,000 for the year, by A. F. L. estimates; for December, 1937, the same source set the total at 9,355,000; varied sources estimate the

January, 1938, unemployed at from 10,000,000 to 10.3 million. The index of factory payrolls was 67.4 for 1931; it soared to 98 for 1937, but by January, 1938, it had dropped back to 71.1.

Department store sales for 1931 were 92 percent of the 1923-25 average; for 1937 the index stood at 93; it registered 90 in January, 1938, and 88 for February, 1938.

Volume of new automobile financing in January, 1938, was 48 percent below January, 1937, but 4 percent above January, 1931.

### Exempt from the Tax

The Internal Revenue Bureau of Washington, D. C., has ruled that concerns which give group life insurance to employees do not have to pay social security tax on the premiums. The cost of insurance, the bureau holds, should not be considered as wages paid to employees as they have no equity in the policies themselves.



## "EVERY MAN A BRICK"

You recall Lycurgus, king of Sparta, who was asked why his country had no defensive walls, and replied:

"There are the walls of Sparta—and every man a brick."

And he pointed to his army.

The adequately-insured family provider, who defends his dependents against their arch-enemy—poverty—is just as much a brick,

He finds life insurance a formidable ally.



**The Prudential**  
**Insurance Company of America**

EDWARD D. DUFFIELD, President

Home Office, NEWARK, N. J.

## Insurance Stands Behind Low Cost Housing: Sullivan

Investment by life companies in low cost housing projects may be expected in future on a scale of great magnitude, Commissioner W. A. Sullivan of Washington stated in a radio address. A life company is reported to have earmarked 100 millions for this purpose.

Representatives of various interests for weeks have been telling the public about the government's vast home building program, but behind them, Mr. Sullivan said, is the insurance institution, which serves as a bulwark supporting the entire program. It is this institution through which the government expects to guarantee payments of mortgages by which most of the homes will be financed, Mr. Sullivan said. It will guard against unforeseen loss due to fire, flood, tornado, lightning, or other hazards. It offers the medium through which the family head can be assured that his family will have its home free and clear of all debt, with a sum of money to care for needs in the event of his untimely death.

"Life insurance is becoming the universal solution of individual economic planning—a solution thoroughly democratic and in keeping with the traditional American spirit of intelligent self-reliance," he said.

Next in importance to life insurance in the preservation of the home is fire and accident and health insurance: fire insurance, for the purpose of rebuilding the home should it be destroyed by fire; accident and health insurance for the breadwinner to insure an income during such periods as he may be incapacitated through injury or sickness. So many people seem to think they can carry their own insurance in these two branches more economically than through institutions organized for that purpose. There is an abundance of evidence supplied by actual experience to prove the fallacy of such reasoning. It is far better to carry insurance that is never needed, than to need the insurance that one neglects to carry.

### Fine for Sinking Fund

In the industrial and commercial world it is an established rule of procedure to create a fund out of earnings to offset the depreciation in mechanical equipment, or in the value of stocks of merchandise, he said. There is no more certain way for the individual to create such a fund than through the medium of insurance.

The insurance companies are behind a bill to permit investment in low cost housing projects, he said. In New York there is a legislative bill approved by the insurance commissioner to permit insurance companies to invest up to 10 percent of their admitted assets in a building project designed to give to moderate income families decent homes at a low cost.

### Successfully Tried Before

This is not an entirely new venture for life companies, he said, as there was a bill similar to this one, made a law in New York in 1922. Under this a large life company built the largest single low rental housing project ever undertaken in the United States. This project cleared operating expenses during the depression and on the whole was a very satisfactory venture.

"With such an experience, it is reasonable to assume that during the authorized period, many millions of dollars of policyholders' reserves will be directed toward this type of investment," Mr. Sullivan said.

### Named on C. of C. Committee

KANSAS CITY—James H. Mickey, associate general agent Connecticut Mutual, has been appointed chairman of a new committee of the chamber of commerce, which has the purpose of promoting chamber activities, acquainting the city with those activities, securing

## Commissioners Take Up "Evil of Misrepresentation"

### Special Committee Named to Recommend Legislation Against Life Insurance Detractors

George A. Bowles, president of the National Association of Insurance Commissioners, has named a special committee to be known as the insurance publications committee consisting of Bowen of Ohio, chairman; Earle, Oregon; Blackall, Connecticut; Harrison, Georgia and Hunt, Pennsylvania. He was prompted to appoint the committee be-



ROBERT L. BOWEN

cause of the irresponsible publication and circulation of insurance books, literature, pamphlets and the like. He characterized it as a growing evil which it seems the life underwriters associations, insurance company officials and agents are powerless to remedy. In a letter to Jess G. Read of Oklahoma, secretary, advising him of the appointment of the committee and suggesting that the appointees be notified by him, Commissioner Bowles said:

"I think this committee might study and recommend uniform legislation to our association looking toward the stamping out of the evil of misrepresentation, with resultant losses to owners of life insurance who may be influenced by innuendoes, half-truths and incomplete comparisons to lapse or surrender life insurance and replace it with other insurance to their disadvantage. The committee might also investigate and report to our associations the activities and purposes of so-called insurance estate experts, advisory experts, research insurance bureaus, etc., and suggest a program to correct any abuses of public confidence if the study of the committee reveals that there is misrepresentation by individuals or corporations back of these services which claim to be the protectors of the public in life insurance matters."

and assimilating new members, etc. Other insurance men on the committee are H. E. Kincaid and H. E. Dreier, Massachusetts Mutual; J. M. Bellwood, Connecticut General; Paul C. Jamieson and E. G. Mura, New England Mutual, and V. W. Wiedemann, Sun Life.

### Indiana Tax Regulation

Policy premium dividends under a new Indiana tax regulation to become effective this year will not be considered as taxable gross income to policyholders whether the dividends are in cash, applied to purchase of additional insurance or credited to future premium.



# "Happy Birthday"—with Proviso

While birthday greetings accompanying applications are nothing new in life insurance circles, it is not often that such greetings are seen, accompanied by reservations. Such, however, was the case in the "Happy Birthday" greeting messages received by Dr. Charles R. Henry, medical director of the Provident Life & Accident, as shown in the picture at the right.



Under the signature of the company representative there was added this postscript: "Provided you pass this application."

A splendid volume of business came from all parts of the field, officials report, and Dr. Henry caught the spirit of fun underlying the P. S. on his birthday greetings that accompanied the applications.

## Thirty-year Service Men Honored by Midland Mutual

COLUMBUS, O.—On April 8, the Tice & Jeffers agency of the Midland Mutual Life here, will hold an all-day agency meeting in honor of Samuel B. Garwood, who signed an agency contract with that company and agency 30 years ago. As special guests, the following men, each of whom has been with the company for 30 years or more, will be present: From the home office, C. G. Barratt, assistant secretary and assistant treasurer, first employe of the company; John D. Rees, auditor, H. K. Schaff, cashier; from the Tice & Jeffers agency, E. P. Tice, the first agent of the company, and H. P. Jeffers, Columbus; K. I. Dickerson, Newark; L. U. Mecham, Bethesda; J. O. Jones, Alexandria; and Mr. Garwood. Other 30 years service men who will be present are E. O. Mowrer, Akron general agent, Otto J. Dodge, Delta, O.; E. C. Roberts, Canton, O.; H. S. Foote, Geneva, O.; and W. T. Trump, Dayton general agent.

### Grand Total \$10,000,000

Mr. Garwood and W. E. Whipple, his partner since 1920, have paid for more than \$10,000,000 of high-grade business on 3,300 lives. Over 150 Midland Mutual Life representatives, one-third of the present agency force, have been with the company for five years or longer. These agents have served the company in combined time over 2,000 years, an average of about 13½ years each. The company believes these records of continuous service refute the theory of heavy agency turnover.

## Equitable Honors Welch

Chicago producers of the Equitable society showed their resourcefulness in turning in 2,121 applications representing a \$11,663,412 volume as a result of the February campaign in honor of Second Vice-president V. S. Welch. Fifty-nine producers turned in 10 or more applications and 237, five or more. The Woody agency led with 504 applications, representing a volume of \$4,020,690. Harry T. Wright of the Woody agency turned in 20 applications. The Lustgarten agency was second with 383 applications, \$2,030,732 volume. J. B. Glasser, of the Satler agency, was responsible for 30 applications. The Hobbs agency was third with 253 applications, amounting to \$1,046,306. Vera S. Reynolds, Hobbs agency, turned in 15 applications. Other agencies in their ranking order were Gottschall, 250 applications, \$1,111,552; Sloan, 156, \$793,710; Israel, 140, \$717,820; Kerber, 132, \$449,790; Kemp, 110, \$361,397; Sacks, 106, \$444,000; Barber, 39, \$403,700;

## New Life Business in Tennessee Last Year

The Tennessee department has issued a report showing the new ordinary business in Tennessee last year. The companies writing \$300,000 or over are as follows:

Aetna Life	3,302,690
American National	1,646,294
American United	1,347,449
Bankers Life	811,578
Business Men's	347,050
Columbian Mutual	432,018
Commonwealth Life	2,430,560
Connecticut Mutual	2,131,409
Conservative Life	352,797
Equitable, Iowa	880,211
Equitable, N. Y.	4,139,018
Fidelity Mutual	311,133
Franklin Life	340,942
Great Southern	1,549,253
Guardian Life	480,739
Guarantee Mutual	1,110,017
Home Beneficial	1,109,000
Interstate Life & Acci.	919,522
Jefferson Standard	2,059,100
John Hancock	1,167,817
Kansas City Life	1,356,571
Lamar Life	1,084,911
Kentucky Home Mutual	471,431
Life & Casualty	2,506,869
Lincoln National	2,347,233
Massachusetts Mutual	4,721,454
Manhattan Life	306,063
Metropolitan Life	10,935,489
Minnesota Mutual	879,370
Morris Plan	1,279,015
Mutual Benefit	602,852
Mutual Life, N. Y.	3,501,608
National Equity	1,277,000
New England Mutual	2,554,075
National Life & Accident	8,513,447
New York Life	6,577,160
Northwestern National	380,856
Northwestern Mutual	3,495,101
Ohio National	735,145
Old Republic Credit	1,887,836
Pacific Mutual	501,553
Pan-American Life	445,567
Penn Mutual	2,560,840
Phoenix Mutual	1,543,239
Pilot Life	716,950
Provident Life & Accident	1,975,407
Provident Mutual	834,940
Prudential	4,090,738
Reliance Life	1,439,781
Shenandoah Life	1,890,615
State Mutual	1,341,845
Southeastern Life	633,011
Standard Life	622,740
State Life	614,232
Sun Life, Canada	1,123,985
Travelers	2,160,555
United Benefit	710,350
Union Central	1,003,217
Universal Life	325,296
Volunteer State	2,340,210

Wadsworth, 22, \$236,500, and the Chicago office force, 21, \$45,215.

Two other leading agents in number of applications were Arthur Lazarus, Israel agency, 21, and Sara Frances Jones, Sloan, 19.

## Banker to Address Club

MINNEAPOLIS—B. V. Moore, Minneapolis banker, will address the Home Office Life Club April 12 on "Sound Money." Lee Todd, Northwestern National Life, is in charge of the meeting.

# Sound Counsel

Intelligent advisory counsel is one of the most valuable services you can render your clientele. Proper protection, the right policy for the right purpose, a balanced program of protection . . . these are as much a part of the service for which they pay as the policy which they receive.

Continental Assurance can help you in personalizing life insurance programs. Supplementing a wide variety of policies for specific purposes, the Company maintains special advisory service to aid our representatives in the solution of individual insurance problems.

# Continental

## ASSURANCE COMPANY

CHICAGO, ILLINOIS

*Affiliated with*

## CONTINENTAL CASUALTY COMPANY

## John Q. Agent Is Sentenced in Philadelphia Trial

John Q. Agent, who never violated his contract or did anything illegal or dishonest, but believed his job was to sell policies and give the prospect anything he wanted, was found guilty of dereliction of duty as a life agent by a jury of his peers in Court 676, Philadelphia, a jury of nine men and three women requiring but a few minutes to arrive at a verdict. The trial was a feature sponsored by the Philadelphia Association of Life Underwriters. "Mrs. Crane," a young widow, was the plaintiff. The court sentenced John Q. Agent to a course of work and study that would tend to make him a true life agent, rendering proper service, and that he "seek a real philosophy of life insurance."

### Case Presented

Testimony was taken as in a regular trial. It was developed that Crane, who theoretically died later in an airplane crash, lapsed a \$5,000 policy as result of the stock crash. Defense attorney attempted to show it was Crane's duty to provide for his family, and not that of the agent, and also that Mr. Agent

was entirely ethical and discharged his full responsibility under his agency contract.

The prosecution contended life insurance was a complicated actuarial device understood by few people, and therefore the agents must so present its basic purpose that its uses would be clearly understood by men and women.

### Prosecutor's Argument

In his address to the jury, the prosecuting attorney (Jack Berlet) said: "It seems to me that you will all recognize the tremendous importance of the institution of life insurance. How through it, and through it alone, the average man can provide for the protection of his family and for himself in his own declining years. History has proven that few men ever achieve for themselves and their family that financial independence which is so dear except through that social institution known as life insurance. It is the only means whereby the time element can be removed from an investment program. Through it, a man can arrange an entire life's program guaranteeing the financial welfare of those for whom he is responsible."

"Life insurance in itself is a complicated, actuarial device beyond the comprehension of most men. Most women do not understand its basic purpose but

look upon it as a family expense rather than a financial keystone. Those things being true, it devolves upon the representatives of the life insurance institutions, the life underwriters, to so present their product that its uses may be clearly understood by both men and women alike. It devolves upon those underwriters to so train, organize and motivate themselves that they recognize this responsibility and regularly and systematically carry on their work.

### Blasts Policy Peddler

"Mr. Agent, by his own testimony, has never organized his work, he does not study to keep abreast of the times nor does he attend those functions nor read those books to keep kindled the inspiration and enthusiasm so necessary to his work. In other words, he is a policy-peddler without the slightest comprehension of his responsibility to his clients and his community."

C. H. Orr, president Philadelphia association, originated the John Q. Agent trial. The jury was selected by pulling cards from a box of those in attendance. The foreman was Mrs. Helen G. Stewart, Penn Mutual. Others on the jury were: Fred Kemp, John Hancock; E. T. Smith, Travelers; R. C. Holden, Aetna Life; Mildred A. Adams, Penn Mutual; S. M. Prior, Sun Life of Canada; W. B. Spencer, Reliance Life; J. M. Green, Prudential; R. M. Wharton, Travelers; J. H. Pollock, Aetna Life; Marjorie Pyle, Provident Mutual, and Maxwell Kornman, Connecticut General.

### Others in Cast

The cast performed like veteran actors. Particularly excellent was C. A. Duffield as presiding judge. Others in the cast were Jack Berlet, prosecuting attorney; Henry McBratney, defense attorney; Frank Campbell, defendant; Eleanor Beetman, the widow; Martin Lammers, general agent, and Regina Rooney, the deceased's secretary. The trial was under direction of Rowland Dearden, "United States Review," director Wyncote Players, who at one time spent four years with David Belasco.

### Set Hearing in Phoenix April 2

Thirteen indicted former officers and directors of the old Pacific Mutual Life are scheduled for appearance in the U. S. district court at Phoenix, Ariz., April 2 to be arraigned on the charges of con-

## Grand Rapids Offices Capture Three Awards

Grand Rapids, Mich., seems to be on the map life insurance-wise. General agents of three notable companies there won the presidential trophies for organization work in 1937, they being the Aetna Life, Mutual Benefit Life and Connecticut Mutual. H. W. Florer is general agent of the Aetna Life; H. C. Remien, Connecticut Mutual, and R. R. Stotz, Mutual Benefit.

## Charlotte Agency's Roundup

Assistant Agency Superintendent J. R. Hull of the Mutual Life of New York Was Speaker

CHARLOTTE, N. C.—"In my opinion, business conditions in the country as a whole are not so bad as many people seem to think," said J. Roger Hull, assistant superintendent of agencies of the Mutual Life of New York. He was in Charlotte for a conference with S. K. McAfee, agency manager. He said 11 North Carolina agents had made the Quarter-Million Club. They will be given a trip to San Francisco in June.

The increase of the Charlotte agency was far greater than the average for the country. The gain of the Charlotte agency was 19.6 percent, as compared with the company's average for the whole country of 8.6.

spiry to commit fraud by use of the mail.

S. W. Rindge, one of the former directors, who refused to waive removal, and who after a hearing before U. S. Commissioner Head, was discharged, will not appear at this time due to the pendency of a proceeding instituted by the government seeking a warrant of commitment and order of removal.

The Louis F. Paret agency of Philadelphia and Camden, N. J., for the Provident Mutual Life has a course on "Tax and Business Insurance" for its agency force.

## ALABAMA BUSINESS FOR 1937

MONTGOMERY, ALA.—Life insurance showed a decided gain in Alabama in 1937 as compared with 1936, both in new business written and in business in force at the end of the year. There was a grand total of \$227,290,367 new business in 1937 against \$216,498,397 in 1936. The business in force amounted to \$917,398,133 whereas the business in force at the close of 1936 was \$858,953,489.

In ordinary life, there was \$75,903,171 new business in 1937 compared with \$74,347,099 in 1936. Ordinary in force at the end of 1937 was \$605,975,721 against \$586,095,480 when 1936 closed.

There was \$50,339,412 group insurance in 1937 against \$35,294,788 in 1936. At the close of 1937 there was \$142,116,093 group business in force compared with \$109,092,734 in force at the end of 1936.

### Industrial Insurance Figures

In industrial insurance, a total of \$101,047,784 new business was written in 1937 compared with \$106,856,510 in 1936. The volume of industrial business in force at the end of 1937 was \$169,306,319 compared with \$163,765,275 at the end of 1936.

The following table shows the 25 leading companies in new ordinary business in Alabama during 1937, together

with the amounts they had in force at the close of 1937:

	New Business	In Force
Acacia Mutual ...	\$ 1,299,600	\$16,655,630
Aetna Life .....	1,094,403	11,217,281
Amer. Life, Ala. ....	1,851,055	7,674,300
Amer. National....	1,676,673	6,153,091
Commonw'lth, Ky. .	1,533,459	8,510,490
Equitable, N. Y. . .	2,743,407	31,553,659
Jefferson Standard	1,436,200	11,349,016
John Hancock....	1,133,446	5,281,705
Liberty National..	2,373,293	7,446,309
Life & Cas., Tenn.	1,482,320	5,119,335
Mass. Mut. ....	2,572,904	21,456,520
Metropolitan ....	5,496,244	49,635,431
Mutual Life, N. Y. .	2,409,946	38,967,261
Natl. Life & Acc. .	4,111,720	11,300,474
New England....	2,962,687	23,472,738
N. Y. Life. ....	6,830,983	79,271,236
Old Repub. Credit	1,364,188	4,406,993
Pan Amer. Life....	1,103,155	22,426,509
Penn Mutual ....	7,046,048	43,525,954
Protective Life....	4,135,573	29,144,955
Prudential ....	2,594,235	14,064,200
Reliance Life....	1,134,500	2,600,650
So. L. & H., Ala. .	1,180,407	6,978,641
Sun L., Canada..	1,144,355	16,807,707
Union Central....	1,144,355	16,807,707

The five leaders in group insurance in new business in 1937 are:

	New Business	In Force
Aetna Life .....	\$ 4,085,220	\$18,336,182
Gen. Amer. L. Mo. .	14,703,100	26,646,156
Metropolitan ....	7,019,779	22,253,964
Protective Life....	11,438,600	42,142,377
Prudential ....	8,566,817	16,792,165

In industrial the seven leaders for new business in 1937 are:

	New Business	In Force
Atlanta Life ....	\$ 3,110,364	\$ 8,005,050
Ind. L. & H. ....	17,494,400	12,223,510
Liberty National..	14,557,909	21,008,133
Life & Cas., Tenn.	10,461,891	13,335,775
Metropolitan ....	6,076,615	33,782,477
Nat. L. & A., Tenn.	8,984,951	21,848,860
So. L. & H., Ala. .	10,027,265	11,292,289

# PROGRESS with STABILITY

NEW PAID BUSINESS for January and February exceeded the same months last year by 28%.

## DURING 1937

Insurance in Force Increased . . . \$ 5,310,661

Making Total Insurance in Force, December 31, 1937 106,077,790

ASSETS INCREASED . . . . . 1,757,918

Making Total Assets . . . . . 20,407,405

From December 31, 1929 to December 31, 1937

Assets Increased . . . . . 95%

Surplus Increased . . . . . 103%

"Keeping QUALITY, SERVICE and SAFETY FIRST," has characterized the substantial well-rounded progress of the Company through its THIRD OF A CENTURY in business.

Splendid opportunities for General Agents and District Agents, particularly in sections of Illinois, Iowa and Ohio.

## INDIANAPOLIS LIFE INSURANCE COMPANY

INDIANAPOLIS, INDIANA

A Legal Reserve, Mutual Company

Organized in 1905

Edward B. Raub, President

A. H. Kahler, Supt. of Agents

Hoodoo Day is lucky for accident insurance salesmen. For details on special sales plan write The Accident & Health Review, 175 West Jackson Blvd., Chicago.



## Hugh Martin Reveals Safety Box Contents

In a recent issue of the Illinois Bankers Life house organ, General Counsel Hugh T. Martin has a contribution, rich in sentiment, revealing what is found in safety deposit boxes. He says that it is often brought to light that men cherish strange things, putting all sorts of articles in these safety boxes. Among the most precious documents in these boxes, Mr. Martin says, are "old love letters and life insurance policies." He designates the life insurance policy payable to a man's wife and children as a real love letter. In conclusion, Mr. Martin said in his contribution:

### Arrow of Gold

"To begin with, a life insurance policy is applied for in a deep spirit of love and affection, and it is no product of a temporary passing fancy, for each year the premium has to be paid. It is carried on with great unselfishness. It is a symbol of life-long devotion. It is true, it contains no pet names or protestations of affection, but nevertheless, it carries a message of devotion to loved ones that the years will not fade, which can never appear foolish or out of date. "Looked at in this way, there is no finer love letter that a man can write to his wife and family than a policy like the arrow of gold. Safely laid away it may be in vaults of steel with the utmost protection or it may repose unguarded in the bottom drawer of some old desk.

"Silent and unnoticed it may remain but the day will come when still silent it will speak its message of affection and unselfish devotion bearing witness to a love outlasting life itself."

## Round Out Congress Program

**Engelsman and Anderson Headliners on Chicago Bill April 19; Cummings to Attend**

R. G. Engelsman, general agent Penn Mutual, New York, and C. V. Anderson, "millionaire" agent and C. L. U. of the Provident Mutual at Cincinnati, will be two of the headliners on the program at the annual sales congress of the Chicago Association of Life Underwriters to be held April 19.

A. E. McKeough, president, will preside. P. B. Hobbs, agency manager Equitable Society, is chairman of the committee which is arranging for the congress.

Mr. Engelsman will speak on "Open Forum on Sensible Selling," and Mr. Anderson will give one of his rousing talks, which will be dramatized. Mr. Engelsman entered the life insurance business at the age of 20 and was a member of the first million dollar round table. He was a member of the faculty of New York University for six years, starting his general agency in 1928, and building it to more than \$8,000,000 annual volume. He has been a speaker at national conventions and has lectured in many cities. He writes between \$500,000 and \$1,000,000 personally each year. Mr. Anderson is past president National Association of Life Underwriters and a large personal producer; life member Million Dollar Round Table and one of the first Chartered Life Underwriters in the country.

Other members of the sales congress committee are: J. M. Royer, Penn Mutual, co-chairman, J. C. Caperton, State Mutual; Paul W. Cook, Mutual Benefit; George Huth, Provident Mutual; Mrs. Garland Kahle, Equitable Society; J. O. Rogers, Mutual Life of New York; Alexander Sperling, Metropolitan; F. S. Wilson, John Hancock.

The general agents and managers division will hold a dinner the evening of the congress, with Mr. Engelsman and

O. Sam Cummings, president National association, as speakers. C. B. Stumes, Penn Mutual, chairman, will preside.

The annual meeting is to be held in June. Mr. Stumes is slated to become president. He has been a powerful force for good in the association for many years, and one of the most active members.

The committee on formation of the Life Insurance & Trust Council will meet April 4. G. S. Brown, Penn Mutual, has succeeded F. G. Bray as chairman, Mr. Bray going to Houston as New England Mutual general agent.

## Judgment Was Reversed

The appellate term, New York supreme court, has reversed a judgment which the Equitable Society had obtained against Samuel Shabotzky, New York City, holding that the lower court was in error in charging the jury that "the criterion of disability under the provisions of the policies was mental or physical disability." Plaintiff's evidence indicated that he could not engage in physical work without injury to his health even though such work was not entirely impossible on his part.

The decision directed a new trial. The Equitable, however, plans to appeal the case to the appellate division. The original judgment in favor of the Equitable resulted from its counterclaim for certain payments already made to Shabotzky. He was suing because of stoppage of subsequent payments. The appellate term's action is regarded as setting a precedent in New York by distinguishing between actual physical or mental inability to work and a condition in which work might be performed but only at a risk to health or life if claimant does engage in such work.

## State Mutual Regional Rallies

Vice-president Stephen Ireland of the State Mutual announces that a new series of five regional meetings, based in method on those conducted late last year in Ohio and Texas, will be held in collaboration with State Mutual general agents and agents in April and May. Three meetings are scheduled by Mr. Ireland for the eastern agencies, in Boston, Brooklyn and Buffalo. Another will take place in Chicago for midwestern offices and the last will be a southern roundtable. The place of that meeting has not yet been announced.

These meetings will adhere to the plan hitherto used of arranging sessions so as to give each agent a chance to take part, either by a prepared talk or in the sales clinic which is a feature of each session. Talks both by home office delegates and regional representatives as well as the clinics will develop specific practical phases of the State Mutual sales plan. President Chandler Bullock and other officers will attend these meetings.

## Bureau Chart Service Available

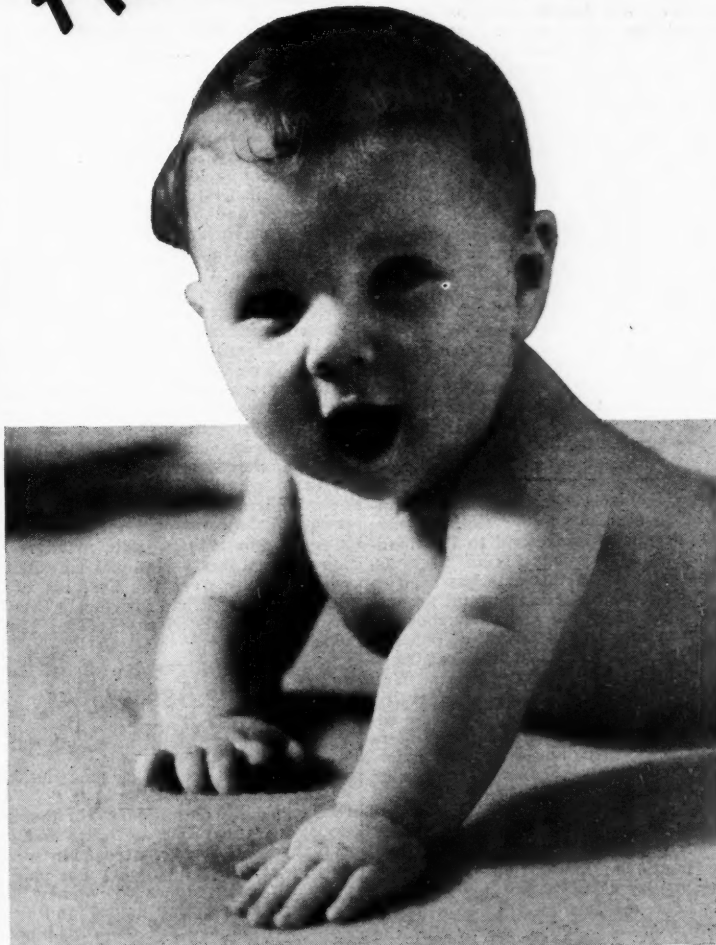
SPRINGFIELD, MASS.—Coincident with the divorcing of the Life Insurance Sales Research Bureau from its chart service for member companies and their representatives, comes the announcement that the service will still be available through W. L. Stannard, who will continue the same service independently.

The service, originated by Mr. Stannard, and operated under his direction by the bureau for some years, is one of translation of agency operating data into color definition in the form of clear and usable charts.

Among the factors that Mr. Stannard visualizes in this easily-understood manner are: Production—monthly or quarterly; new organization efforts and production; agents under contract, new appointments, etc.; sources of new business; insurance in force—changes in percents; paid premium; terminations by modes; lapses, rates, comparisons and specific company data.

Mr. Stannard's address will be 807 St. James avenue, Springfield, Mass.


# HEY DADDY-



## HOW ABOUT ME ?

## LNL Men Can Answer

A complete line of Juvenile contracts is a part of the kit of the Lincoln National Life field man. Insurance (Ordinary not Industrial) for children down to one day of age—protection contracts, educational endowments, the valuable payor provision under which premiums cease upon the death of the payor, all enable the LNL man to meet Juvenile insurance situations as they arise.



### THE LINCOLN NATIONAL LIFE INSURANCE COMPANY

FORT WAYNE, IND.

ITS NAME INDICATES ITS CHARACTER

## New Little Gem Chart Is Big Aid to Salesman

(CONTINUED FROM PAGE 3)

using present insurance or some new insurance if desirable. In addition to these special tables, there is a whole page of examples covering typical cases. And, for those "graphically-minded," the Little Gem contains an income chart which shows in graphic form such things as (1) how long incomes will last, (2) how much income could be available and (3) the amounts of insurance needed to guarantee fixed incomes or incomes for definite periods. There are also improved illustrations and explanations of the social security law in the new Little Gem which not only give the pensions and benefits but show how the law can be used as a foundation on which any individual may build his own individual security through life insurance.

In addition to the large amount of special programming and income material, the new Little Gem, of course, comprehensively covers policy provisions, rates, dividend and cost information, has a large special section devoted to annuities, to (ordinary) juvenile insurance, to industrial insurance and to the financial and operating reports of over 200 companies. All of this data has been so arranged as to make it as useful as possible in actual selling and particularly to help in selling larger "average" policies.

The new Little Gem lists at \$2.50 singly and is available at "company club rates" or at lower prices in quantity. Advance orders are being filled in sequence as received. Additional orders should be sent to The National Underwriter Company, Statistical Division, 420 East Fourth street, Cincinnati.

### Conclude "Boat Race" Contest

A "boat race" contest in the Paul F. Clark agency of the John Hancock Mutual Life in Boston during General Agent Clark's month's absence in the West Indies was concluded with a surprise breakfast on board the steamship Lady Hawkins in Boston harbor. "Ship" and individual crew winners assembled to present Mr. Clark paid-for applications for \$1,020,800 of ordinary life insurance produced by full-time agents.

The winning boat was Miss Corinne V. Loomis' "Lady Nelson." Her crew wrote an excess of 15 percent over quota.

### Business Shows Increase

BINGHAMTON, N. Y.—The R. C. Meadows agency of the National Life, Binghamton, N. Y., has produced more paid for business this year so far than last year. The number of applications is slightly less. This agency covers 20 central New York counties and last year ranked fifth among National Life agencies in production.

### Kirkland Assistant Secretary

A. J. Kirkland has been advanced to assistant secretary of the Mutual Benefit Life. He started with the company in 1905 as a mail boy in the correspondence department at the home office. Later he was transferred to the medical department and eventually became one of the company's first life underwriters. In 1915 he was transferred to the policy department—now new business department—to work on supplemental agreements, and since 1918 has been in charge of that work.

### Observes 35th Anniversary

The 35th anniversary of the Toledo, O., agency of the Northwestern Mutual Life Insurance Co. was celebrated at a meeting there, with Nelson D. Phelps, assistant director of agencies, and Harry Ricker, assistant secretary, in attendance.

## GENERAL AGENCY NEWS

### Birmingham Manager Marks His 30th Anniversary

His 30 years in the life insurance business and 28 years as an agency manager were celebrated by R. C. Jordan, manager of the Birmingham city agency of the Liberty National Life. It marked the beginning of a "30th anniversary contest," instituted by the home office in his honor and to run for one month.

Mr. Jordan has a force of 35 men in his agency who sell both industrial and ordinary and a good deal of his time is taken up with agency affairs, but he is always a large personal producer. He started with the Independent Life of Nashville in 1908 and began building a debit. Two years later he was made district manager at Chattanooga and has been a manager since. In 1911 he opened an office for the Southern Insurance Company in Chattanooga and in 1915 was transferred to Nashville as manager of the Nashville district and general superintendent of the company's weekly premium department. He went to Birmingham in 1919 as state manager and joined the Liberty National Life in 1930 when it took over the business of the Southern, which had previously been insured by the Citizens Life of Huntsville, Ala.

### E. F. White Agency Has an Unusual Record

An unusual record in the southwest has been achieved in the past 4½ years by the E. F. White agency of the Connecticut Mutual Life at Dallas and Fort Worth. The office started from scratch in June, 1933. The agency has paid for a total of over \$18,000,000 of new business. It started June 1, 1933, and during that year \$879,000 in paid-for business was produced; in 1934, \$4,258,000; in 1935, \$4,286,000; in 1936, \$4,318,000, and in 1937, \$4,729,000. In two of the last three years the White agency has won the president's trophy and was runner-up the third year. By winning it once more it will get permanent possession.

### Pittsfield Agency Celebrates

At the annual dinner dance of the Pittsfield, Mass., district agency of the John Hancock Mutual Life, Assistant Manager William Dee was toastmaster, presenting awards for outstanding sales achievement and condition of account for the last quarter of 1937 to Agents John N. Giracca and Paul Goldman. Seventy-fifth anniversary medallions were presented to Agent Samuel Monterosso and Agent John Giracca, who also received the \$50,000 merit emblem button. District Manager Ernest Redfearn addressed some very interesting remarks to the ladies on helping to make their husbands more successful.

### Garrett Heads the Hustlers

"The Hustlers," agents' association of the Pittsburgh agency, Bankers Life of Nebraska, have elected the following officers: W. L. Garrett, Pittsburgh, president; Meade F. Steiner, Zelenople, vice-president, and Mrs. Mary C. Neeler, Pittsburgh, secretary-treasurer.

The Pittsburgh agency is now located at 508 Park building where the more centralized location provides enlarged accounting quarters and office space necessary to better serve the policyholders in its district.

### Fete Contest Winners

Ronald Vincent, Dallas, assistant Texas manager of the Travelers, attended a dinner given for Manager Harlan H. Winn and his agency, as a result of winning a production contest between the Texas agencies.

### Harris Agency Lays Plans for Big Year at Meet

DALLAS—Plans for making 1938 the biggest in the 36 years of the W. G. Harris & Co. agency of the Aetna Life were discussed at the annual meeting of its agents.

General Agents W. G. Harris and J. L. LaPrelle addressed the meeting, presided at its sessions and at a luncheon. Other speakers were C. C. Warfield, Tyler; William Whitaker, B. F. Stollenwerck, F. H. Goodman, W. B. Sims and G. W. Neely, Dallas.

Vice-president E. E. Cammack addressed the group, saying 1937 had been the greatest year in the sale of group insurance and predicted an even greater year in 1938.

Mr. Harris reported that in 1937 the Dallas agency, which covers northeast Texas, placed \$8,250,000 life insurance with more than \$1,000,000 of that amount sold by Mr. Warfield.

### Warren Parks Agency Celebrates

The Warren S. Parks Agency of the Equitable Society at Rochester, N. Y., celebrated its 25th anniversary with a 25-day silver jubilee campaign for new business that began March 1. This agency became a separate unit on March 1, 1913, under the leadership of Warren S. Parks, agency manager, one of the Equitable's oldest managers with respect to years of service in that capacity. At that time it was merely a collection office. Since then the agency has grown until it is now a sales organization composed of 50 representatives, operating in nine counties in western central New York state.

A luncheon meeting inaugurated the drive. V. S. Welch of Chicago, second vice-president, was the principal speaker.

### Cherry & Cherry Conference

The Cherry & Cherry general agency at San Antonio, Tex., for the Bankers Life of Iowa, held a one day conference at Houston, Tex., with W. F. Winterble, director of agencies, and Severin Schulte, assistant superintendent of agencies. Sales problems and methods and plans for the coming year were discussed. A banquet was attended by wives.

### Celebrates 27th Year

BIRMINGHAM, ALA.—Officials of the Jefferson Standard attended the 27th anniversary of the Albert L. Smith agency and presented it with a silver loving cup for leadership in conservation during 1937. It led 43 of the company's agencies with approximately \$2,000,000 of the business sold in 1936 being renewed in 1937. The agency also reports a 25 per cent increase yearly for the last three years. Karl Ljung, Jr., assistant secretary Jefferson Standard, said the cup has been awarded since 1925. This is the third time for the agency and will remain a permanent possession.

### Honor Fabling in Denver

Celebrating the 35th anniversary of J. S. Fabling, senior general agent of the Pacific Mutual Life, the Denver sales force conducted a spirited one-day sales drive. George Mott set a new record for the agency, writing 44 applications for premiums of \$1,945. There were 100 applications written with annual premiums totaling \$5,314. The previous one-day record, set in 1935, was 89 applications.

O. Sam Cummings, Dallas, Texas general agent of the Kansas City Life and president of the National Association of Life Underwriters, was the honor guest at a dinner dance given by H. H. Mitchell of the San Antonio agency of the Kansas City Life.

### Equitable's Investments Reviewed by Parkinson

President Parkinson of the Equitable Society in reply to a policyholder as to investments, said:

"I am glad to have the opportunity to give you some information respecting the matters that are causing you concern. We have been administering our railroad bond investment for several years with a view to confining it to the underlying bonds of the better roads, and, therefore, your assumptions of losses based upon general percentages are not borne out by our actual experience.

"Perhaps I can best convey our situation to you by saying that none of the security values in our statement as of the end of 1937 was based on 'conventional values' and by adding that if all of our securities had been carried at the market values on Dec. 31, 1937 our surplus would have been approximately \$61,000,000, instead of the \$62,600,000 reported. The book value of our government bonds on Dec. 31, 1937, was \$439,574,326 and the market value on that date was \$446,421,760, showing a market over book profit of \$6,847,434.

"With respect to our mortgage and real estate investment it might be useful to point out that we actually collected in 1937, 95 percent of the interest due on our outstanding mortgage investment on all kinds of property, and on the real estate which we hold as a result of the foreclosure of mortgages our net return, after payment of all expenses including repairs connected with that real estate, was 2.81 percent of the value at which we carry it on our books. This net return on our foreclosed real estate has improved and is 3.17 percent of book value for the twelve months ending Feb. 28."

### Mutual Trust Appointments

The Mutual Trust Life of Chicago announces the following general agency appointments:

Louis O. Kratzer is in charge of the Dayton, O., territory, where he has lived for more than 30 years, having attended the public schools there as a youth. His life insurance experience, in the selling end, covers a period of over six years and, until this appointment as general agent he had been with the Mutual Life of New York. He is in his second term as secretary of the Dayton Life Underwriters Association and he is also secretary of the junior association of commerce.

C. I. Ramstad, formerly a district agent in the Minneapolis office, is promoted to general agent at Moorhead, Minn., in charge of five counties.

### Maryland Tax Ruling Reversed

BALTIMORE—In a test case involving 17 companies, Judge Adams of the circuit court ruled that an insurance company is entitled to deduct mortgage holdings on Maryland real estate from the total stock value for tax purposes. The decision was rendered on an appeal of the Monumental Life from a ruling of the state tax commission, which had levied an assessment of \$23.70 a share on 200,000 shares of stock.

The case is thus sent back to the tax commission for reassessment. Counsel for the commission, however, stated that it would appeal the case.

### Issues New Family Policy

The Minnesota Mutual Life is issuing a new "family policy" designed to compete with industrial policies. Under it an entire family may be insured according to insurability of its members. It is a combination of ordinary life and payment life and is liberal in its non-medical provisions. Dividends are payable after the first year and the policy carries a cash surrender value at the end of three years. There are graduated death benefits up to age of 5.



## Helen M. Thomas Gains Good Record in Few Years

General agents and companies have long ceased to frown upon women entering the insurance business since Helen M. Thomas of the Kemp agency Equitable Society, Chicago, took her rate book in January, 1930, and joined the ranks of men solicitors. In the short span of eight years Mrs. Thomas has risen to a position of prominence not only in agency activities but those of local associations and justified her business existence by being one of the most alert producers in the field.

She is a C. L. U., having received the designation June, 1933, and is the second woman in Illinois to receive this distinction. She qualified with a \$200,000 volume in her first nine months of production for a trip taken by Equitable Society producers to French Lick. She is a charter member of the Women's Quarter Million Dollar Round Table.

### Background of Experience

Mrs. Thomas, a widow, entered the business a few years following the death of her husband, being encouraged by her brother to seek a means of livelihood that was both dignified and remunerative, and offered a fair share of independence. She joined the F. H. Haviland agency of the Equitable Society before Mr. Haviland joined the Connecticut General as vice-president in charge of agencies, being succeeded by D. C. Kemp. She specializes in estate analysis and programming, having gained a good background for this type of work prior to her marriage when she was secretary to a sales manager. About 80 percent of her business is from men in professional lines with her average policy size running about \$6,000 to \$7,000. The largest contract she has sold was an annuity for \$85,000.

### Method of Solicitation

Her method of soliciting this group, she says, is simple. She exposes her client to all the problems connected with planning his future estate program and describes means of solving these problems but allows the actual solution to rest with the client himself. This gives him a certain feeling of independence and the satisfaction that he has reached his own decisions. Prior to an appointment which she makes by telephone, she finds out the client's financial status, his desires and ambitions and any other information she feels pertinent to the sale. She says the greatest factor in making a sale is the establishment of confidence and injecting into the sale sincerity of purpose. Mrs. Thomas also does a considerable volume among young people who are starting out in life between the ages of 23 and 26 years.

She has addressed many groups both in Chicago and surrounding districts. About 20 talks were given before the Federated Women's clubs of Chicago and last November she spoke before the Waukegan (Ill.) Association of Life Underwriters on "Creative Interviews." Actively engaged in Chicago Association of Life Underwriters activities, she has served as membership chairman of the women's division and a member of the reception committee of the general group. She was also secretary-treasurer of the Chicago chapter of the C. L. U.

A good education coupled with an attractive appearance and an engaging personality has fitted Mrs. Thomas well for the insurance business. She attended Northwestern University and has done extensive research in problems dealing with estate analysis. She was born and has lived in Chicago all of her life. Her

hobbies are those connected with the arts, in which she expressed considerable interest in dress designing. She works under R. D. Hinkle, unit manager of the Kemp agency. Mrs. Thomas has a motto which hangs conspicuously in her office and which she tries to incorporate in her daily activities and in her relationship with clients. The saying reads "Something to do, something to love, something to hope for."

### Columbus Mutual Convention

The Columbus Mutual Life agency convention will be held Aug. 17-19 at Mackinac Island. The meeting this year will be conducted differently in some respects than in previous years and is offered largely to members of the \$100,000 club. Therefore, the attendance will not be as large as usual. The plans are for the agents in the mid-west to leave Chicago on the afternoon boat of Aug. 16. The annual dinner is scheduled for the last evening.

### April Is McLain Month

April has been designated "McLain Month" in honor of Vice-president James A. McLain by the Guardian Life. A special campaign for new business, in the form of a championship baseball

contest, will be waged throughout the month.

### Litsheim Field Assistant

For his outstanding work as a producer in the St. Paul agency, Carl R. Litsheim has been promoted to the agency department of the State Mutual Life as field assistant. Mr. Litsheim left St. Paul for Worcester this week to assume his new post.

Since joining the O. G. Holmer agency in St. Paul a few years ago Mr. Litsheim's advance has been rapid. He qualified the first year for membership in the company's "44" club of consistent weekly production and also in the Pilgrim Club for volume.

### Metropolitan's Carolina Meeting

GREENSBORO, N. C.—K. C. Ringer, superintendent of agencies of the Metropolitan Life, met with district offices here. He also attended a meeting of the North and South Carolina Managers Association, in Sedgefield. Also attending that meeting were J. A. Blades, agency supervisor; Robert Seay of the home office field education and sales promotion department; E. T. Mulney of Greensboro and John Rockland of Atlanta, sales supervisors.

## Discrepancy in Annuity Table Is Explained

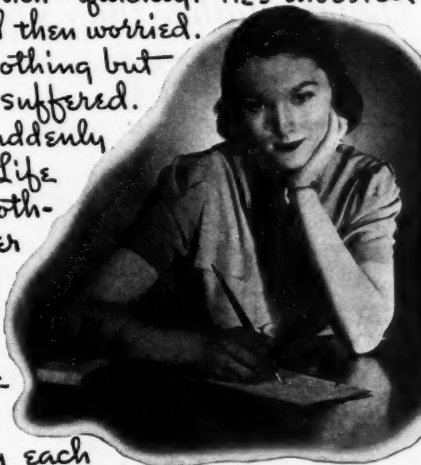
NEW YORK—In the tabulation published last week covering disability, double indemnity, and annuity experience of companies licensed in New York, the aggregate loss from surplus due to annuity business was given as \$14,807,550 in the headline and in the item accompanying the table, though the total in the tabulation itself was given as only \$13,660,388. Practically the entire discrepancy between the two figures was due to failure to include the Metropolitan Life figure in the column headed "Net Change in Surplus Charged to Annuities," though the Metropolitan's annuity loss was taken into account in writing the headline and text of the article accompanying the tabulation.

Inclusion of the Metropolitan's \$1,150,162 loss from surplus due to annuity business brings the aggregate for companies licensed in New York to \$14,810,550, the \$3,000 difference between this total and that given in the article accompanying the table being due to an error in addition.

...Mother, I'm a new woman, simply because of the change in Hugh. You know how he's driven himself. He was never content even with his good salary. He didn't want more money simply to live better—he's been looking for security. As a result, he's tried to get rich—quickly. He's invested in this scheme and that—and then worried. He's played the market, with nothing but headaches. Even his work has suffered.

About two months ago, suddenly he said, out of his big chair, "Life is too short." Just that, and nothing more. About a week later he came home with a friend of his who's an insurance man. After dinner, they explained what Hugh wanted to do. It called for a certain amount of money each month—but not as much as some of Hugh's schemes. If Hugh lives, well have enough to retire on. If anything should happen to him, there'll be school money for Tommy and Sally, and a monthly income for life for me.

Honestly, Mother, it's not the insurance part I'm so pleased about—although I'm glad I'll always be able to take care of the children. It's the effect on Hugh that makes me so happy. He's a changed man. He's relaxed and easy, and when he laughs, he really laughs. For the first time we're enjoying life as we live it, because Hugh knows exactly where he's going, and why. I imagine he'll still buy stock occasionally. But as a "flyer"—not as a desperate attempt to make us safe and secure overnight.



A great peace of mind comes to the man who knows that he is sure of old-age independence if he lives, and of a monthly income to his wife, with an education to his children, if he should die before his time—who has a sound, continuing, lifetime financial program which he can follow calmly and quietly, without strain or worry. The record of the life insurance companies, particularly through the depression, is a good reason for this peace of

mind. Life insurance funds are safe. And NWNL's record indicates that nowhere are they safer than in this company. Your NWNL agent comes to you trained and equipped to arrange life insurance properly. But more than that, he comes as the representative of one of America's strongest, safest life insurance companies. Northwestern National Life Insurance Company, O. J. Arnold, President, Minneapolis, Minnesota.



This is a reproduction of NWNL's latest national magazine advertisement.

### SUPERVISOR WANTED

Must be experienced life insurance man, under age 40, capable of recruiting, training, and developing agents; Southern territory; salary and traveling expenses paid; give complete personal history in first letter.

ADDRESS H-45, NATIONAL UNDERWRITER

## EDITORIAL COMMENT

### No. 1 Public Relations Agency Job Needed

NOT ONLY vital but extremely pressing is the need for a life insurance public relations agency. There are just nine more months before the recently enacted LIVINGSTON-PIPER law permits NEW YORK savings bank to go into the life insurance business on an over the counter basis. These nine months will offer an opportunity which will not come again. During that time the institution of life insurance can, without being put on the defensive, convince potential life insurance buyers of NEW YORK state that regular life insurance is the best buy and that for most policyholders the services of a competent agency far outweigh any possible savings due to the purchasing insurance direct from a savings bank.

Public relations activities initiated after Jan. 1, 1939, will lose much of their effectiveness. The companies will appear to be fighting a defensive war against the attacks which the savings bank life insurance system may be expected to launch on regular life insurance. For to believe that there will not be such attacks is wishful thinking of the most naive sort. The savings banks themselves are no doubt kindly disposed towards life companies and agents.

But the banks will have nothing to say about what sort of sales promotion campaign the special insurance department deputy in charge of savings bank insurance may choose to conduct under the new setup.

By its splendid fight against the LIVINGSTON-PIPER measure in the recent legislative session the NEW YORK STATE LIFE UNDERWRITERS ASSOCIATION has demonstrated the strength of its organization and its appreciation of the situation confronting the life insurance business in NEW YORK state. But the job to be done in the next nine months demands every resource that the institution has at its command. It should not be left to the field forces alone nor should the fight be regarded as a local NEW YORK state matter. Partisans of savings bank life insurance, though concentrating their efforts in NEW YORK, have been busy in other states. Elated by their success in a state so important from an insurance point of view, these zealots can be counted on to multiply their efforts in other localities. The next nine months in NEW YORK state will affect the life insurance business far beyond the borders of that commonwealth.

### Stressing Quality Rather than Volume

PRESIDENT JAMES A. FULTON of the HOME LIFE of New York in a San Francisco address stressed the point that until the volume objective in production be subordinated to quality, the turnover, both in agents and policyholders, will not improve. All will acknowledge that the agency turnover is entirely too high and that in many cases life insurance has been improperly and impermanently sold by the men in the field.

The strife for volume naturally begets high pressure selling. When a person buys life insurance it should be a serious transaction on his part. He should realize that this special policy is suited to his needs

and that the agent is able and expert enough to diagnose his case and formulate an insurance program, however simple or complex it may be. There should be a definite purpose in the sale and purchase of a policy. Whenever insurance is not sold as it should be or when high pressure salesmanship is put to work there will always be high lapsed.

President FULTON evidently is not very much in favor of using convention trips or artificially stimulated contests to produce business because agents then "put on the heat," so to speak, and endeavor to gain volume rather than satisfied policyholders.

### Agents Necessary in Life Insurance Sales

THE news that the HERCULES LIFE of Chicago, the SEARS, ROEBUCK & Co. life company that took over the NATIONAL LIFE, U. S. A., when the latter went into the hands of a receiver, is to be taken over by the OCCIDENTAL LIFE of Los Angeles provided the California and Illinois departments approve and also the court in Chicago which still has a hand on the NATIONAL, U. S. A., estate, is of supreme concern to agents and to all interested in the agency system of life insurance production. SEARS, ROEBUCK & Co. has perfected one of the greatest merchandising

systems that we have in this country. It has made an outstanding success in selling goods all over the United States through the medium of its big catalogue. It has retail stores in many of the cities. It is foremost in its mail order business.

The SEARS, ROEBUCK & Co. management concluded that life insurance might be sold through the medium of its catalogue and its department stores as well as tangible merchandise. It has given the life insurance business an excellent trial. It has come to the conclusion that it cannot be sold successfully through the mails. In

other words, life insurance requires the agent with a knowledge of life insurance contracts and their adaptation to the special and varying needs of people.

When SEARS, ROEBUCK & Co. started in the life insurance business there was considerable consternation because some predicted that this might be the entering wedge

whereby life insurance could be sold direct. The SEARS, ROEBUCK & Co. experiment has been a most interesting one. The management frankly acknowledges that it has been a failure. Therefore it is now conceded that the sale of life insurance depends on the personal, individual expert service of life insurance men themselves.

### Importance of an Independent Department

THE state insurance department that is subordinate to a superior body in state administration is handicapped very much. The insurance business is a capital one and furnishes a state with a large amount of revenue. In most states it is second to the office that has the automobile license division so far as income is concerned. When a state insurance commissioner is subordinated to some other officer there is not the definite responsibility that should be placed on such an official. The very moment that the insurance department becomes a subagency, so to speak, its efficacy is greatly weakened. The state insurance commissioner should be responsible alone to the governor if he is appointed or to the electorate if he is chosen by

ballot. He deserves to be on the same footing as any other department in the state capital.

Virginia, until a few years ago, had a separate insurance department. It was one of the foremost in the country. Then the head of that department by law was made insurance superintendent under the commissioner of insurance and banking. Virginia has taken the first step to put its insurance department on a stronger footing in that in the newly enacted agents licensing law is a provision making the department a separate unit from that of banking but still under the state corporation commission. The head of the department will be the insurance commissioner. So far as it goes, it is a step in the right direction.

## PERSONAL SIDE OF BUSINESS

John M. Scott, 67, former Texas commissioner, died at his home in Fort Worth. After retiring from the commissioner's post he was with a Lloyds in Dallas as general manager. He retired from that position some years ago and entered the practice of law in Fort Worth.

Bruce J. Johnson, general agent National Life of Vermont at Rochester, N. Y., with Mrs. Johnson, is on three weeks cruise in the West Indies.

The Northwestern National Life of Minneapolis has issued, as piece No. 26 in its historical series, a 10x14 print containing pictures of the eleven men—from John Jay to Charles Evans Hughes—who have sat as chief justices of the United States Supreme Court.

These pictures are made available to all fieldmen of the company for distribution as good will builders to prospects, policyholders, and other interested persons—the same way in which all pieces of the company's historical series are distributed as they are issued from time to time.

Frank L. Armstrong, Boston, editor of the "Insurance Age-Journal," is at the Brockton City Hospital, Brockton, Mass. For some time Mr. Armstrong has not been in the best of health, and is seeking by two operations to remove the causes of his illness.

John H. Fertig has retired after 50 years of continuous service in the actuarial department of the Northwestern Mutual Life. Mr. Fertig and his wife have started on a trip to Arizona and the Grand Canyon. A 33rd degree Mason, Mr. Fertig will devote his time to the advancement of Masonry and the

Knights Templar educational foundation, which loans funds to college students.

Harold V. Taylor, district manager Mutual Life of New York, Atlantic, Ia., ranked first in United States in February for the number of policies issued.

Nathaniel Reese of Detroit, state agent of the Provident Mutual Life in Michigan, will celebrate his 38th anniversary with his company April 2. Under his leadership the company's business in force in Michigan has grown from \$1,250,000 to over \$40,000,000.

E. R. Seese, western group manager of the Metropolitan Life in Chicago, has been elected chairman of the Tri-County School Board Association, comprising Cook, Lake and Du Page counties in Illinois. Mr. Seese has been on the Bannockburn grammar school and Highland Park high school boards for many years.

R. R. Richardson, general agent in Richmond, Va., of the Equitable Society, entertained about 70 agents at his home, "Rayemond," in Mathews county. This was to celebrate the 40th anniversary of his connection with the Equitable.

George Godfrey Moore, president of the National Reserve Life of Topeka, is able to be at his office for an hour or so a day. He suffered a heart attack while conducting a directors meeting in January. It so happened that the company doctor was in the room and Mr. Moore was given immediate, skillful attention.

A. O. Madland, general agent of the Occidental Life of California at Twin Falls, Ida., died after a long illness. Mr.

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**The UNION CENTRAL LIFE Insurance Company**  
CINCINNATI, OHIO

## PROPERTY MANAGEMENT DIRECTORY

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Specialists in  
APPRAISALS, MANAGEMENT,  
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We specialize in Property Man-  
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Oldest and Best

50 Years Experience

Specializing in  
Sale and Management  
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220 Binz Bldg. Houston, Texas

**Pave the Way**—An accident policy sale is the easiest way to get acquainted with your prospect and pave the way for other lines. For suggestions that sell read *The Accident & Health Review*, A-1946 Insurance Exchange. Chicago. Sample 10c.

of the reinsurance contract must be carried out in full before dividends may be paid in the future.

#### Reelect Central States Officers

ST. LOUIS—Directors of the Central States Life have reelected these officers: Vice-president, J. DeWitt Mills; secretary-treasurer, G. P. Henderson; counsel, R. H. Burd; actuary, C. R. Goodrich; medical director, Dr. Henry Jacobson.

Alfred Fairbank was elected president of the Central States Life and with the reelection of those named, the official personnel of the company is complete.

#### Club Presents Service Pins

The K. E. O. club of the Business Men's Assurance home office held its annual dinner dance, approximately 225 attending. Charles Scott, past president and Walter Fickle, new president, presided. Other members elected are: first vice-president, Harry Wilcher; second vice-president, Clark Wittlake; secretary, Catherine Smith, and editor of "K. E. O. News," Jerry Bredouw. Service pins were presented to employees associated with the company ten years or more by President W. T. Grant. There were 92 in all, 76 for ten years, nine for 15 years, and one for 20 years. Five officers were presented 25-year diamond service pins, including W. T. Grant, J. H. Torrance, vice-president; L. D. Ramsey, secretary; Daisy Baker, assistant secretary, and L. L. Graham, director of field service.

#### Country Life on the Air

The Country Life of Chicago has arranged to go on the air from 12:55 to 1 o'clock Tuesdays, Thursdays and Saturdays at Peoria over WMBD. The title of the feature will be "Rural Oddities."

#### Reinsured by National Aid

The National Aid Life of Oklahoma City has reinsured the State Mutual Life of Shawnee, Okla., which had \$1,250,000 business in force.

#### Hafner Still in Los Angeles

LOS ANGELES—Actuary R. R. Hafner of the Illinois insurance department, who has been here for some days looking over the Occidental Life in view of its purchase of the Hercules Life of Chicago, will be busy for some days yet. Both the Illinois and California departments must give their approval before the deal is signed, sealed and delivered.

The United States Life has applied for license in California.

#### Social Security Idea Helpful

NEW ORLEANS—Government insurance for unemployed and aged works for the good of the people and insurance companies alike, according to A. E. Patterson, vice-president Penn Mutual Life. "Unemployment and social security insurance," he said, "are very definite steps ahead. They should aid greatly in handling the unemployment problem." Mr. Patterson came here from Atlanta on his semi-annual visit for conference with Dorion Fleming, New Orleans general agent. He attended a meeting of the New Orleans and Baton Rouge agents. The Baton Rouge group was headed by G. S. Reddy, district manager. He left for Jackson, Miss.

#### Defeat Massachusetts Bills

BOSTON—The perennial petition of Israel Katz of Worcester for an investigation of industrial life companies was defeated in the Massachusetts legislature. Also defeated was the bill of Judd Dewey, deputy insurance commissioner of savings bank life insurance, to authorize the savings bank system's use of the American Men mortality table.

## LIFE AGENCY CHANGES

#### Kent Manager at Salt Lake

Named by Prudential to Succeed  
Payne May 1 in Charge of Utah and  
Idaho

Sidney A. Kent, assistant manager of the Goldman ordinary agency of the Prudential in Chicago, has been appointed manager by the Prudential in Salt Lake City in charge of the ordinary department in Utah and Idaho, effective May 1. He will succeed Walter S.



SIDNEY A. KENT

Payne, who is to be assigned to another managerial position elsewhere.

Mr. Kent is returning to a country that he knows. He was graduated from the University of Montana in 1923 after having worked in that section for some time in various engineering projects. He started with the Prudential in Chicago early in 1924 as an agent in the industrial department, then for a year was special agent. He was appointed assistant superintendent and in 1929 started out as an ordinary agent with Manager A. Van Goldman at Chicago. Manager Goldman appointed him assistant manager in 1930. Mr. Kent is a C. L. U., was secretary and then president of the Life Agency Supervisors in Chicago. He is skilled in recruiting and training agents, and plans to carry on an active agency building program in his territory.

#### D. A. Park Is General Agent in Chattanooga, Tenn.

BOSTON—The New England Mutual Life has appointed D. A. Park general agent at Chattanooga. For three years he has been office manager there. In March he observed his 15th year with the New England Mutual, all spent with the Chattanooga office.

He joined the agency there in 1923, as office boy under E. H. Rolston, then general agent. He was cashier, then became agent. Soon he was appointed agency supervisor for eastern Tennessee.

see. When General Agent Rolston died in 1928, his son, E. D. Rolston, succeeded to the agency. On his retirement in 1935, Mr. Park was placed in charge of the office.

#### Swarzman to Des Moines

Roy L. Swarzman of Sioux City has been appointed district manager in Des Moines for the Equitable Society by M. C. Nelson, Iowa agency manager. He will have charge of Des Moines and surrounding Polk county. Mr. Swarzman joined the Nelson agency 12 years ago. Before going to Sioux City in 1935 as district manager, he was for three years city manager in Des Moines.

C. J. DeVries, who has represented the Equitable at Orange City, Ia., takes the Sioux City post.

#### Ira Fischer Resigns

The Bankers Life of Iowa announces the resignation of Ira Fischer as agency manager in charge of St. Louis territory. Pending the naming of a successor, Assistant Superintendent of Agencies L. N. Paquin is in charge of the agency.

Mr. Fischer has joined the St. Louis agency of the Northwestern Mutual Life. That agency was founded by his father, the late W. J. Fischer.

#### Nolan Succeeds Perry

E. D. Nolan has been appointed district manager of the Reliance Life at Corpus Christi, Tex., to succeed B. E. Perry, recently named manager at San Antonio. Mr. Nolan was formerly at Austin and then with the San Antonio office. His territory will extend from Beville to the Rio Grande Valley.

#### Kaufman to Iowa City

Glen M. Kaufman, formerly of Macomb, Ill., has been appointed district agent of the Provident Mutual Life at Iowa City, Ia. For the past five years he has been general agent of the Country Life.

#### Ohio State Names Two

The Ohio State Life has appointed H. T. Blackford district manager at Lansing, Mich., and Stacie L. Bowen district manager at Rocky Mount, N. C.

J. G. Flint, formerly commander of a CCC camp at St. Charles, Ark., has joined the Morton & Morton agency of the Connecticut Mutual Life in St. Louis as agency supervisor.

C. L. Maxwell has been named district agent of the Lamar Life at Taft, Tex.

M. J. Verzuh of the Gunnison Insurance Agency, Gunnison, Colo., has been appointed district manager of the Great American Life of San Antonio.

#### New Minnesota Actuary

H. H. Matt, an attorney of East Grand Forks, Minn., has been named actuary of the Minnesota department to succeed T. E. Barbeau, resigned.

## Industrial Assistants and Superintendents:

If you are a strong door to door canvasser; if you know how to secure agents, and after you secure them, keep them in the business by working with and teaching them properly; and you would like a superintendency (which is practically the same as a detached assistant with an Industrial Company) with a successful Monthly Premium Company, write, giving your age; whether you are married or single; what Company or companies you have worked for; in what capacity; and where you were employed, to A. S. Burkart, V. P. Conservative Life of America, South Bend, Indiana.



April 1, 1938

## PACIFIC COAST AND MOUNTAIN

### Utah State Leaders in 1937

**New Business Written Last Year Shows Beneficial Life of Salt Lake City as Top Company**

The Utah department has sent out its advance sheet showing the new business in the state last year and business in force. The Beneficial Life of Utah is the state leader. Those writing over \$100,000 are as follows:

	New Bus.	In Force.
Aetna Life .....	\$ 747,768	\$ 7,745,706
American National .....	2,296,072	3,484,000
Bankers, Iowa .....	270,714	2,354,214
Beneficial Utah .....	5,664,903	36,189,432
Business Men's .....	422,948	2,528,070
Calif.-Westn. States .....	816,451	9,200,251
Central States, Mo. ....	129,099	689,981
Columbian Natl. ....	192,732	1,277,706
Equitable N. Y. ....	1,914,000	15,899,000
Guarantee Mutual .....	424,111	2,600,487
Home Life, N. Y. ....	951,800	2,957,264
Kansas City Life .....	971,309	9,178,764
Lincoln National .....	769,995	6,984,871
Metropolitan .....	4,895,905	37,555,423
Mutual Life, N. Y. ....	1,242,000	15,586,000
Mut. Benefit Life .....	261,004	6,683,987
New York Life .....	3,077,000	38,891,000
No. American Re. ....	247,800	651,300
Northwestern Mut. ....	495,295	8,450,000
Northwestern Natl. ....	201,585	349,808
Northern, Wash. ....	119,881	671,412
Occidental, N. C. ....	672,000	1,982,000
Occidental, Cal. ....	489,182	2,949,842
Pacific Mutual .....	182,373	2,279,938
Pacific National .....	1,683,617	5,677,935
Penn Mutual .....	886,546	10,406,000
Prudential .....	1,841,592	13,922,297
State Farm, Ill. ....	642,992	591,296
Travelers .....	540,542	4,875,724
United Benefit .....	1,367,642	2,693,460
West Coast Life .....	845,106	3,305,000
Union Central .....	121,396	1,704,000
Western Life .....	190,364	837,214

The Metropolitan Life was the group leader with \$2,606,865 new business and \$8,361,422 in force. The Prudential wrote \$2,593,945 and had \$6,260,903 in force. The Equitable Society wrote \$1,680,000 and has \$9,378,000 in force. The Aetna Life wrote \$1,052,599 and has \$3,042,806 in force.

### Elder Field Representative

William Elder has been appointed field service representative of the San Francisco branch office of the Business Men's Assurance. He spent several weeks at the home office learning details of his new duties. He formerly was a B. M. A. agent for seven years.

### Los Angeles Actuaries Meet

**Two Subjects Are Discussed by the Members at the March Meeting of the Organization**

W. A. Munster, actuary of the Postal Union Life, president Los Angeles Actuarial Club, presided over the monthly meeting.

Clarence Tookey, Occidental Life, reviewed his recent paper "Suggested Changes in the Gain and Loss Exhibit" which has been widely distributed and evoked much favorable comment. Discussion opened by Francis Hope, Occidental Life, led into the second subject, "The Need for a New Mortality Table." Leslie Cooper, Pacific Mutual, and Arthur Havens of the same company opened the second subject and presented data covering the effect on surrender values of the adoption of the new mortality table under consideration by the committee of the National Convention of Insurance Commissioners.

It was especially stressed by several speakers that a mortality table which permits low net premiums might prove dangerous if proper loadings were not in some way required as a minimum to preserve the safety of legal reserve life insurance. Barrett Coates of San Francisco was a guest.

### L. L. Graham Is on Coast

L. L. Graham, director of field service of the Business Men's Assurance, is now on a trip to the west coast. His itinerary includes stops in all coast states and two or three others. He is expected to return to Kansas City about the middle of April.

### Murrell Jurisdiction Extended

Murrell Brothers of Los Angeles, who are general agents for the Mutual Benefit Life, in addition to that connection have general supervision of general agencies on the Pacific Coast. This corresponds roughly to home office supervision. The Salt Lake City territory has now been included in this supervisory area.

Philadelphia. Second was G. D. Edmondson's Sons agency, Danville, Pa.

### Utah, Idaho Agents Meet

Utah and Idaho agents of the Penn Mutual Life held a convention at Salt Lake City. Home office officials who appeared on the program were E. Paul Huttlinger, agency secretary, and W. F. Detwiler, underwriting department. General Agent W. A. Carter, who recently recovered from a six months' illness, presided.

### B. M. A. State Meetings

J. C. Higdon, vice-president Business Men's Assurance in charge of sales, attended a meeting of Illinois salesmen at Springfield in honor of C. E. Mitchell, state manager, whose birthday it was. Mr. Higdon will be in Columbus, O., April 2 for a meeting of Ohio salesmen.

W. T. Grant, president; J. H. Tor-

rance, vice-president, and A. I. Beach, associate counsel and director, will attend the Texas meeting in Dallas April 4-5. A. W. Hogue, state manager, will preside.

### Mulock at Fort Dodge

The annual meeting of the Hugh Ziegler agency of the Central Life of Iowa was held at Fort Dodge, Ia. President E. H. Mulock was the guest of honor and speaker.

### Metropolitan K. C. Meeting

KANSAS CITY—Executives of the Metropolitan Life will conduct a regional meeting here April 6. About 550 agents, managers and assistant managers from Oklahoma, Kansas, western Missouri and western Arkansas will be divided into groups of 70, whom officers will visit and talk with in rotation.

From the home office will be Leroy A. Lincoln, president; E. H. Wilkes,



## CERTAIN

So long as the shock of financial crises can be absorbed by life insurance, the Great Southern will answer the call of its clients and policyholders.

On this enduring foundation, our Representatives are building successful careers, ably assisted by the Company's comprehensive and continuous sales training program.

We invite your inquiry concerning our attractive contract direct with the Home Office.

## GREAT SOUTHERN LIFE INSURANCE COMPANY

E. P. GREENWOOD  
President

Home Office  
HOUSTON, TEXAS

## LIFE SALES MEETINGS

### Philadelphia Life's Rally

**Vice-president Jackson Maloney Main Speaker at Convention in Miami — Gueter Is Club President**

General agents were told to spend considerable time in selecting new agents instead of devoting much time later "trying to make a success out of a poor selection, and then having to drop him," by Jackson Maloney, vice-president of the Philadelphia Life, at the 1938 convention of his company's star producers at Miami, Fla.

### Urges Fewer, Better Agents

"The result," he said, "would be fewer but better agents, and with better agents, we would obtain more business and better business and the business would stay for a much longer time on the books of the company. Better agents would bring better underwriting, less lapsation and a lower mortality."

He explained the why and wherefore of company conventions when he remarked:

"The main object in holding meetings like this, it seems to me, is to get you into the notion of doing things; so to increase your knowledge of the business and to enthrone you that when you return

to your several localities, you will be in a position more readily to interest your prospects in and to sell them more life insurance."

He told them that if they all knew how slight the difference in effort required to produce high-grade and low-grade service, "there would be mighty little low-grade service. Indifferent service is usually the result of an indifferent habit of mind."

### Ahead for First Two Months

Seventy-one persons, including home office officials, agents, wives, etc., were in attendance. E. R. Hurst, director of agencies, announced that paid-for business the first two months of 1938 was 103 percent ahead of last year, although the nation as a whole showed a decline of 15 percent.

H. R. Gueter of Philadelphia was announced as president of the 1938 Convention Club. William Elliott, Philadelphia, president of the 1937 club, opened the convention. Vice-president of the 1938 club is Edwin Schweriner, Philadelphia. Members of the Master Producers Club, in addition to Messrs. Gueter and Schweriner, are William Elliott, Samuel Bernstein and C. H. Smolens, all of Philadelphia.

Leading agency for the convention club year was the Elliott agency of

Cecil J. North and Arthur W. Trethewey, vice-presidents, and Glen J. Spahn, superintendent of agents.

### Plan New York Convention

Joseph M. Bryan, vice-president Jefferson Standard Life, has been appointed by A. R. Perkins, agency manager, as chairman of the entertainment committee for the agents' convention to be held at New York in June, 1939. The agents are now campaigning to qualify for the meeting.

## INDUSTRIAL

### Metropolitan Officials on Coast

LOS ANGELES—President Leroy A. Lincoln of the Metropolitan Life and several other home office executives and resident Pacific Coast officials, held a two day meeting here with managers, agents and other employees. The clerical employees were included in the conference for the first time. Another innovation was the division of the field forces into groups during the conference sessions, instead of all participating as a single unit. In the official party were: Vice-president Ernest H. Wilkes, Third Vice-presidents Cecil J. North and Arthur W. Trethewey and Pacific Coast Vice-president Henry E. North.

A conference was also held in San Francisco.

### San Antonio Office Wins

The San Antonio, Tex., No. 2 office of the National Life & Accident, W. H. Waters, manager, won in a contest with other district offices of southwest Texas on a point basis and on efficiency. A chicken dinner will be held later, with W. H. Julian, vice-president, in charge.

### President Burton Optimistic

ST. PETERSBURG, FLA.—In a talk before district employees here A. M. Burton, president of the Life & Casualty, declared that the country is definitely out of the recession. The occasion was the annual banquet of the St. Petersburg and Tampa district, and was in recognition of Superintendent H. S. Parks, who made the largest increase of any superintendent, and J. E. Draper, local agent, who made the best record out of a field of 1,200.

### Conservative Life's Increase

In May, 1937, the Conservative Life of South Bend, Ind., gave a voluntary raise in guarantee salary to all superintendents amounting, in the majority of cases, to 12½ percent, and as of April 1, 1938, it has again announced an increase in salary to superintendents, which, in the majority of cases, will amount to over 11 percent. This raise closely follows the large increase in ordinary commissions that the company recently gave to its entire field force.

### Head of Staunton Office

R. W. McWilliams has been named manager of the Staunton, Va., district office of the Life of Virginia, just opened. He was formerly an assistant manager in the Portsmouth, Va., district.

### Canadian Agents Form Union

MONTREAL—The Industrial Insurance Agents of Canada has been organized. Objects include security of position, adjustment of lapse and surrender charges, higher collection salaries and better relationship between management and men, it is stated.

### La Crosse Local Formed

LA CROSSE, WIS.—The La Crosse local of the International Union of Life Insurance Agents has been formed. Other locals are at Milwaukee, Racine

## AS SEEN FROM CHICAGO

### WOMEN'S DIVISION TO MEET

The women's division of the Chicago Association of Life Underwriters will meet April 7 in Mandel's Gold Room at luncheon. Secretaries of agency heads are invited. Dr. Perry L. Rohrer, consulting psychologist of the juvenile court in Chicago will talk on capacities of the individual, stressing especially feminine qualities to be developed in work. Helen M. Thomas is chairman of the division.

Chairman Helen M. Thomas, Kemp agency, Equitable Society, who was recently elected chairman, has selected her cabinet. Those appointed are Vera Reynolds, Continental Casualty and Equitable Society; Lillian French Reid, Hunt agency New York Life; Jeannette Thielens Phillips, Hughes agency Massachusetts Mutual; Alva J. Pierce, Houze agency John Hancock; past presidents—Sara Frances Jones, Sloan agency Equitable Society; Edna Kaufmann, Stumes & Loeb agency Penn Mutual; Maud I. Dimock, Tracy agency, New York Life, and Joy M. Luidens, executive secretary Chicago association.

### ATTENDING MISSISSIPPI CONVENTION

A large contingent from both the Paul W. Cook and Bruce Parsons agencies, Chicago, will attend the Mutual Benefit convention to be held at Edgewater Park, Miss., April 6-8. The Parsons agency will have 11 members attending, the Cook agency, nine. The majority are planning to motor, spending some time after the convention in New Orleans. Mr. Cook will be accompanied by his wife and Miss Lorraine Sinton. Fred Morris of the Cook agency, one of the three members of the convention committee in charge of entertainment, will also take Mrs. Morris. A like number from the Parsons agency will be accompanied by their wives. Miss Winifred Ralston, office manager Parsons agency, is also attending.

### REDFIELD TO MOVE OFFICE

Redfield Associates, central division managers of the Mutual Benefit Health & Accident and United Benefit Life in Chicago, will move their offices May 15 from the Insurance Exchange building to the Consumers building, 220 South State street. The office space there will be double that now occupied. The agency has had the biggest month in its seven years of operation in March, without any contest or special drive.

### RAY SMITH 20-YEAR MAN

Raymond T. Smith of Chicago, vice-president of Alfred M. Best Company, upon returning from a trip, received a handsome gift from Mr. Best in recognition of the fact that he has completed 20 years in the service of the organization. Mr. Smith, aside from Mr. Best, is the oldest member of the executive staff of the company and is the second oldest employee in point of service. He started as office boy with the Westchester Fire in Chicago. Later he went to the German-American and served as assistant examiner. He went into the field for the Preferred Accident for a time and in 1915 became a broker.

### VERINK AGENCY IS ACTIVE

A substantial increase in paid volume, with a noteworthy advance in salary saving and retirement annuity plans, is reported by Ellis D. Verink, manager Union Central Life office in the Board of Trade building, Chicago. Mr. Verink has only been operating as manager in

and Kenosha. The charter was presented by Martin Jansen, president Racine local, and Leo Feiman, president Milwaukee local. Membership here numbers about 30 industrial agents.

Chicago a little over six months, having gone there in September from South Bend, Ind., where he served two years in a similar capacity. Despite the fact the Verink agency is relatively young, it is unusually active and has established a good production record in its short period of operation. Plans are under way to enlarge the agency force. Mr. Verink is an outstanding producer in his own right.

### WELCH WITH 60,000 MILES

V. S. Welch, second vice-president of the Equitable Society, has traveled some 60,000 miles since he installed his headquarters in Chicago last August. Mr. Welch has been called to all sections of the country. He spent over a month on the Pacific Coast. He has been getting acquainted with the field and agents, stirring up enthusiasm, strengthening the forces and getting the machinery well oiled.

### WILL GIVE CHICAGO ADDRESS

John A. Stevenson, executive vice-president Penn Mutual Life, has been secured to give the talk this year before the Chicago Life Underwriters Association at its breakfast opening the "Annual Message of Life Insurance to the Public Week."

### GLASSER NAMED UNIT MANAGER

Joshua B. Glasser, agency group supervisor of the Lustgarten agency Equitable Society, Chicago, has been appointed unit manager in addition to his other duties. The new unit, supplementing other units of the agency, will be started from scratch, according to Mr. Glasser.

Mr. Glasser is a resourceful producer and was appointed group supervisor in January, 1935, two years after entering life insurance. Prior to 1933 he was a sales executive in a large printing company in Chicago. He also served in an executive capacity with a national shoe manufacturing concern. In 1935 Mr. Glasser finished first among Equitable producers countrywide in number of cases closed and third in volume. In the latter, he ranked first in the Chicago area.

### PARSONS' TRAINING COURSE ENDS

A month's intensive training course, in which 12 agents were enrolled, has recently been concluded by the Bruce Parsons agency, Mutual Benefit Life, Chicago. The course was one of the most successful ever conducted by the agency and as agents were permitted to combine practical selling in the field with instruction, the training proved exceptionally valuable.

E. C. Hawes, general agent Mutual Benefit in Bangor, Me., who was on leave of absence, took active charge of the school. He was assisted by three members of the Parsons agency, Norman Andersen, B. R. Clement and Gailerd W. Gier, who had previously taken the course at the home office and acted as supervisors. Four agents were assigned to each supervisor. A luncheon-meeting terminated the course at which time agents' production records during the term of the course were given.

### KEMP AGENCY AMONG LEADERS

C. D. Kemp agency, Equitable Society, Chicago, is one of the three production leaders among the company's agencies in Chicago since the first of the year. A large percentage of the agency's business, Mr. Kemp says, has been written on annual premium retirement annuity plans which are sold to supplement contributions made under the social security act. The Kemp agency, as well as other Equitable Chicago groups, is preparing for the annual "Par for Parkinson" campaign in April in honor of President T. I. Parkinson. President Parkinson will

### D. Miley Phipps Goes with Hobart & Oates Agency



D. MILEY PHIPPS

D. Miley Phipps, educational director of the Continental Assurance at the head office, has resigned to go with Hobart & Oates, Chicago general agents Northwestern Mutual Life, as unit manager. He takes over the unit formerly handled by A. J. Johannsen, who is going to Brooklyn for the company as general agent.

Mr. Phipps has had unusually broad experience covering some 13 years in life insurance work. He has been on the firing line and also in headquarters. He started as general agent in Sharon, Pa., for a small eastern company, then was named Pennsylvania manager by the Continental Assurance, with headquarters at Pittsburgh. However, within six months he had established such a record that he was taken into the home office as director of field service. He then became superintendent of agents.

### Wrote Sales Manual

Mr. Phipps' interest was in the recruiting and training of agents. He wrote the sales training course of the Continental Assurance, and recently has been revising it. Mr. Phipps has maintained close contact with the field throughout his home office experience, doing considerable joint work.

With Hobart & Oates, Mr. Phipps not only will recruit and train agents for his unit but his experience will be available to the entire agency.

He is a C. L. U. and a director of the Chicago C. L. U. chapter, as well as of the advisory council and committees of the Chicago Association of Life Underwriters.

meet with those members of the Chicago organization who forward five or more applications during the campaign at a luncheon in the Palmer House May 4. The unit manager with the most outstanding record will be selected as the "par excellence" unit manager and attend a presidential dinner at Chicago at the expense of the Central Managers Association.

### HARROLD WITH HUGHES AGENCY

E. W. Hughes, general agent of the Massachusetts Mutual Life in Chicago, has appointed Fran E. Harrold to his staff, to assist in a supervisory capacity. Mr. Harrold entered the life insurance business in 1930 upon graduation from the University of Illinois. His first connection was with the Penn Mutual at the A. E. Patterson agency, where for two years he did field and supervisory work. From 1932 he was with the firm of H. S. Vail & Sons and for five years in estate programming and service work. Mr. Harrold was later in home office



work for the Continental Assurance and Continental Casualty in Chicago.

#### PRESIDENT FULTON ENTERTAINS

President James A. Fulton of the Home Life of New York presided at a luncheon in Chicago last week in which he was the host to honor Paul A. Hazard, Jr., of the J. F. Ramsey agency, who won in a contest for the first two months of the year and led the entire field force. The country was divided into seven territorial districts and Mr. Hazard was the top man in his district as well as for the entire company.

Manager Ramsey introduced Mr. Fulton who in an allegorical talk showed why life insurance was not a necessity when people made everything for themselves, raised their own food, made their

clothes and provided for the future in another way. In the complicated civilization of today, with its multitude of problems, life insurance becomes the storehouse analogous to the food storehouse of colonial times. A telegram from A. E. McKeough, president Chicago Life Underwriters Association, was read in congratulation to Mr. Hazard, who is a member of the organization.

Prof. J. B. Finnegan, head of the fire protection and engineering course at Armour Institute, was a guest. A number of Mr. Hazard's clients were present. His father, Paul A. Hazard, Sr., a real estate and insurance agent, 1540 East 53rd street, sat at the head table.

Mr. Hazard responded briefly to the sentiment of the hour. Assistant Superintendent of Agents John Walsh of Chicago was present.

## NEWS OF LIFE ASSOCIATIONS

### Cummings Visits California

National President Has Active Time in Los Angeles and Oakland—Hits N. Y. Bank Plan

LOS ANGELES—O. Sam Cummings, president of the National Association of Life Underwriters, spent a busy day here, starting with a talk on "Essentials of Life Insurance Salesmanship" at a breakfast of the Los Angeles association. Mr. Cummings told of the work being done by the National association. He attacked the savings bank life measure that has passed the New York legislature, declaring it is a direct threat to the American agency system. He summed up his remarks with: "The life insurance salesman should sell a dignified policy by a dignified plan along correct lines to prospects who have been rightly selected."

Mr. Cummings was the honor guest at a luncheon meeting of the Life Managers Association at which he discussed the selection of agent material.

Later in the afternoon, before the officers, directors and committee chairmen of the various southern California associations, Mr. Cummings told what associations in all parts of the country are doing toward raising the standard of the life insurance business. He commended the California plan of presenting legislators with the facts concerning life insurance, which is being adopted by associations in other states. Associations should stress its desirability by seeking out and inviting into their ranks men who are making their living solely through life insurance and who mean to stay in the business. Associations should seek quality members rather than quantity, he declared.

### NORTHERN CALIFORNIA MEET

OAKLAND, CAL.—More than 250 life underwriters of northern California heard O. Sam Cummings, president of the National association, discuss association accomplishments, plans for present and future development and the business of life insurance as a whole at a luncheon meeting under the auspices of the Oakland-East Bay Life Underwriters Association.

"There is still a place in American life for the American way of providing individual security—and that way is life insurance," declared Mr. Cummings.

In condemning the New York savings bank life insurance law, he said, "the time has not come nor ever will come when life insurance policies can be shoveled out across counters by clerks." Mr. Cummings paid a tribute to the insurance press, saying that in his opinion there is no business in America that receives finer support from its trade press than the life insurance business.

George Mortensen, president of the Oakland-East Bay association, presided. Elbert Storer, a past president of the

National association, who now lives in Berkeley, Cal., spoke.

Later in the afternoon President Cummings met with officers and committee chairmen from the local associations in northern California, outlining the objectives of the National association in detail and the part each local group and its officers are to play.

In the evening he addressed more than 80 general agents and managers at a dinner meeting in San Francisco, discussing "Modern Technique in the Selection of Agents." He made an eloquent plea for the discard of the "rule of thumb" method of selection which has been in effect too long, urging that the rating charts and tests will reveal qualities that do not show in a mere perfunctory application.

President Cummings plans to attend the California State Association of Life Underwriters meeting in June at Del Monte.

### Form Young Men's Groups

Ray Robison of the Provident Mutual, president of the Young Men's Underwriters Club of Kansas City; Leon Sittenfeld, New York Life, chairman of the young men's group of the Life Underwriters Association, and Phil Himes, Equitable Life of Iowa, secretary of the club, visited St. Louis to explain the organization to a group of 41 young underwriters there who are forming a similar organization. Adam Rosenthal, president St. Louis Life Underwriters Association, presided at the meeting and appointed a committee to complete details of the organization.

Dallas Alderman, president of the Missouri Association of Life Underwriters, accompanied the group from Kansas City.

The new group in St. Louis will have its own identity and at the same time will be associated with the senior life underwriters association.

### Plan Congress at Memphis

Sponsored by the Tennessee Life Underwriters Association, a sales congress will be held April 22 at Memphis. The association there, of which Earl Caldwell is chairman, is cooperating in completion of arrangements.

### Round Table Holds Banquet

There is a very definite place for an organization of life insurance leaders such as the Quarter Million Round Table of the San Francisco Life Underwriters Association and such an organization can do much in the field of education and in assisting to raise the standards and ethics of the business, Commissioner Carpenter told the 36 members of the round table at its first annual banquet. A. K. Deutsch, Equitable Society, San Francisco's only member of the Million Dollar Round Table, presided as chairman.

T. A. Gallagher, member of the round

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That writes both participating and non-participating Insurance?

Whose net cost compares favorably with your competitors? (Check this and see how favorable it is.)

That has the proper Agency spirit?

If so, write to

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## Ambitious Men... with Vision!

Interested Men with vision for the future... are invited to address

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Occidental's Agents are not men who measure the day's success by counting pennies. That's important, yes, but reflected in their faces is something more vital, the joy of a job of work well done!

This is true principally because Occidental picks men with vision... men who believe insurance is an all-important profession. Then, armed with Occidental's "Tailor-made" service, he invariably becomes a leader in his own community.

**OCCIDENTAL'S**  
"Perfect Protection"  
is life insurance with income from the first day, irrespective of cause.



LAURENCE F. LEE  
PRESIDENT

**OCCIDENTAL**  
LIFE INSURANCE COMPANY  
RALEIGH . . . . . NORTH CAROLINA

table and chairman of the business practice committee of the San Francisco Life association, also stressed the importance of the organization. The next meeting of the group will be a picnic in July, followed by a sales clinic in September.

**Binghamton, N. Y.**—F. H. Wenner, Utica, general agent Connecticut Mutual Life, was the speaker this week. This was the last of eight educational meetings. The average attendance has exceeded 60. W. H. Mellor, manager Metropolitan Life, is the president of the Binghamton association.

**Colorado**—A special meeting was held in Greeley, Colo. George Quigley, general agent Capitol Life in Denver, was a speaker.

**Peoria, Ill.**—Nearly 1,000 life men and guests were at the meeting when a delegation from Chicago association presented a skit, "You Can Have Everything." There were delegations present from Bloomington, Decatur, Springfield, Galesburg and other points. There was an informal reception held prior to the presentation of the skit. At the preliminaries, A. E. McKeough, Penn Mutual Life, president Chicago association, appeared; John H. Sherman, head of the life department of W. A. Alexander & Co., made some introductory remarks; Bruce Parsons, Mutual Benefit Life, appeared as "Mr. Chicagoan."

In the episodes that followed, E. B. Thurman, New England Mutual, spoke on "Selling the Business"; Berrien Tarrant, Canada Life, on "Prospecting"; L. M. Buckley, Provident Mutual, on "The Life of the Agency"; J. S. Braunig, Massachusetts Mutual on "Selling the Interviews"; H. G. Walters, Penn Mutual, "Selling on the Basis of Needs"; D. A. Nash, Fidelity Mutual, on "Retirement Income Presentation Sale"; A. W. Ormiston, Travelers, on "Business Insurance"; R. W. Frank, State Mutual, on "Programming and Estate Planning."

**Hudson, Wis.**—Agents from several western Wisconsin towns met here this week to form a new association. Herman Rampmeir, past president of the St. Paul association, assisted in the preliminary organization, which will be made permanent later. Affiliation with the national association is planned.

**Chattanooga, Tenn.**—Louis Stein, Chattanooga district manager for the social security board, discussed phases of his work at the monthly luncheon meeting.

**Harrisburg, Pa.**—Stacey E. Webster, Provident Mutual, Pittsburgh, president Pennsylvania state association, spoke on "Mental Gears—Are They Meshing?" Mr. Webster plans to address several local associations in Pennsylvania this spring. He developed eight points on mental attitude: (1) The recognized power of constructive thoughts; (2) analyze the problems; (3) work in harmony with natural laws; (4) eliminate foolish fears; (5) be sensible about discouragement; (6) maintain an attitude of expectancy; (7) don't alibi; (8) take great pride in your job.

**Lake Charles, La.**—A new association of life underwriters representing several parishes in southwest Louisiana has been organized here.

C. G. Martin, National Life & Accident, is president; J. L. Van Norman, Virginia Life, vice-president; D. J. Hagan, National Life & Accident, treasurer; A. J. Bell, Prudential, secretary; Erick Gebesen, Pacific Mutual, national committeeman.

Directors are: Charles A. Herrick, Mutual Benefit Health & Accident; P. J. LeBlanc, Southern General Life, Gossett Smith, Virginia Life, A. S. Dartez, Jr., Life & Casualty.

**Baltimore**—The April 14 meeting will be entirely devoted to business, with no speakers. J. H. Hopper, president, will preside.

**Pittsburgh**—Louis Behr, Equitable Society in Chicago, who is a member of the Million Dollar Round-Table, speaks Friday on "Programming."

**Salt Lake City**—A sales congress is to be conducted here April 4 by the Salt Lake City association in conjunction with the Ogden and Cache county associations. An attendance of about 300 is expected. Carl R. Marcusen, president of the Pacific National Life and president of the Salt Lake Managers Association, will present O. Sam Cummings,

## Slated in Davenport



LOUIS BEHR

Louis Behr of the Equitable Society in Chicago, the well known million dollar producer, is to be on the program of the sales congress at Davenport, Ia., April 23. Harry T. Wright, associate manager of the Equitable Society in Chicago, will be master of ceremonies at a period during the sales congress designated as "Echoes from the Million Dollar Round Table." Mr. Behr will be one of the "echoes."

C. R. Golly, manager for the Equitable Society at Peoria, Ill., will introduce Mr. Wright and the million dollar producers appearing on the program. Mr. Golly intends having 60 of his men at the sales congress. The local committee announces that over 500 reservations have been made for the affair. Admission is \$1.50 and this includes the luncheon.

president of the National association, with a copper gavel in behalf of the Salt Lake association and Salt Lake Managers Club. The gavel was made especially for the occasion from Utah copper.

**South Bend, Ind.**—Plans for a northern Indiana sales congress in South Bend, April 29, were discussed. I. S. Stein, Chicago, Equitable Life of Iowa, spoke on "Why I Like the Life Insurance Business."

**Detroit**—Under leadership of J. H. Kennedy, supervisor Equitable Society, the membership committee has added more than 100 new members in a drive in the past month.

**Nashville, Tenn.**—Commissioner Britton of Tennessee spoke on "A Commissioner's View and His Problems." A. Walton Litz, National Association of Life Underwriters, discussed the National association meeting in Richmond, Va. The state association meeting will be held in Memphis April 22. One of the special features of the Nashville association's meetings is the "Leaders Table." The leading producer from each agency in the Nashville association is seated at this special table.

**Davenport, Ia.**—James A. Fulton, president Home Life, described changes in sales practices of life companies. Members of the chamber of commerce, Davenport Advertisers Club and Lions Club were guests.

The modern insurance office, Mr. Fulton said, is comparable to a law office with the general agent as the senior member of the firm. "We now concentrate on having fewer but better agents, fewer and more productive interviews and contacting fewer but more carefully selected prospects," he declared.

**San Francisco**—Clients and prospective members attended a meeting exclusively for women. Mrs. Jeanette Van Slyke of the Pacific Mutual opened the meeting as chairman of the women's committee. Mrs. Bruce M. Ashton, Connecticut General, presided. Mrs. Van Slyke

discussed "Life Insurance as an Investment" and Mrs. Ashton, "Conservation and Distribution of Life Insurance Funds," Mrs. G. F. MacIver of Equitable Society, "Annuities," and Mrs. Kathryn Noble, Penn Mutual, "Life Insurance as Protection." G. F. McKenna, manager Continental Assurance, has been appointed chairman of the "On to Houston" committee. It is hoped that a caravan from northern California will be formed to drive to the convention of the National association at Houston this fall.

**Louisville**—The Louisville agency of the Ohio State Life was presented a plaque for having 100 percent membership.

**Vancouver**—O. Sam Cummings, president of the National association, spoke.

**Southeastern Iowa**—Grady V. Fort, general agent Equitable Life of Iowa, spoke at a meeting in Burlington. The meeting was sponsored by Prudential representatives, and M. M. Crone, Ottumwa manager of the Prudential, introduced the speaker.

**Central Massachusetts**—Patrick Collins, Metropolitan Life, talked on field education and sales promotion at the monthly luncheon in Worcester.

**Burlington, Vt.**—General Agent O. T. Sullivan of the Union Mutual Life spoke at the March meeting.

**Omaha**—Isadore Samuels, general agent New England Mutual at Denver, was the speaker, giving special emphasis to the coming national convention in Houston. About 100 attended.

**Wausau, Wis.**—E. G. MacDonald, Sheboygan district agent for the Equitable Society, and president of the Wisconsin State Association of Life Underwriters, discussed the advantages and purposes of the National and Wisconsin associations and their relation to local groups. He urged attendance at the annual state convention at Sheboygan, May 12, which will feature a sales clinic.

**Cleveland**—Guy D. Randolph, general agent New England Mutual Life, Cincinnati, will speak at the breakfast meeting of the general agents group, April 9, which is being held in conjunction with the first annual convention of the Ohio association.

**Grand Rapids, Mich.**—Victor F. Jones, South Bend, Ind., associate general agent Aetna Life, talked on "Systematizing Your Work as an Underwriter."

**Omaha**—Plans have been completed by the Nebraska state association for a three-day tour beginning April 4, with Fremont as the first stop. The other towns to be visited are Grand Island, Tuesday and North Platte, Wednesday. Morning and afternoon meetings will be held in each town.

## Increased Scope in Departmental State Supervision

(CONTINUED FROM PAGE 1)

of payment clause he would immediately be the beneficiary in the event of the death of the assured. The assured, however, had been declared non compos mentis, and the cash value of the policy was desired. The question was whether the company should cash the policy without the naming of a conservator.

"A man and wife who had been advancing money for the assured's premium payments during the past five years, while the assured had been in financial difficulties, learned recently that under the policy terms, while the assured did not have to pay premiums after he reached the age of 60, the premiums became progressive liens on the amount of the policy and to that extent were reducing the equity and it might be wiped out, destroying the collateral that the lender had thought he would have available to wipe out a debt.

"In this case the agent was at fault for failure to fully inform the creditor, though he had explained the matter fully to the insured. The solution lay

in restoration of the status quo by a return of the premiums and an alternate offer to the assured.

"The passage of the workmen's compensation act, in 1913, before which the men considered extra hazardous risk, had no opportunity for insurance and had to devise all sorts of guarantees for security, has enabled the department to assist these men today, working through the 'assigned risk pool.' It is now possible to extend compensation to these men for occupational diseases or unfortunate circumstances.

### Public Is Rate Conscious

"In the old days an assured was not too familiar with the paid premiums, and took the payments as a matter of course. The public today is rate-conscious, and so from time to time changes can be made to the advantage of the assured when the attention of the company is directed by the department to altered conditions.

"The owner of an establishment in Litchfield county recently complained of an increase in rate. His fire premium payment was on the basis that he operated a summer hotel, but the department's investigation disclosed that his establishment was open in the spring for fishing and in the winter for skiing and other ice sports, and that at no time during the year was it unoccupied. A reduction was granted.

### Has Informal Hearings

"The department often conducts informal hearings on agency matters, without statutory notice. In this way it is usually able to clear up differences between companies and agents. Only in the event of an impasse is a formal hearing held, and it is only from a formal hearing that an aggrieved party may appeal.

"These are only a few of the thousands of similar matters that are considered during the year, but they do show that even in small details the public interest inheres in the business of insurance."

## South Dakota Leaders Given

Life Companies That Wrote More Than \$200,000 in New Business in the State Last Year

The total new insurance written last year in South Dakota amounted to \$19,066,155 as compared with \$24,710,174 the year before. The amount in force was \$212,879,428, as compared with \$217,234,964 the year previous. The state leaders or those writing over \$200,000 last year are as follows:

	New Bus.	In Force
Bankers Life, Ia.	\$ 295,248	\$ 6,536,422
Bankers Life, Neb.	311,930	791,317
Equitable, N. Y.	2,977,631	29,907,842
Equitable, Iowa	552,105	5,018,024
Kansas City Life	548,500	5,786,174
Lincoln Liberty	261,700	638,717
Lincoln National	326,881	5,173,889
Mass. Mutual	358,722	2,968,336
Midland Nat. S. D.	1,116,436	10,486,159
Mutual Benefit	548,295	10,150,065
Mutual Life, N. Y.	974,715	18,013,227
New York Life	2,385,040	18,426,400
Northwestern Mut.	1,069,197	7,692,883
N. W. Natl. Life	905,085	950,977
Occidental L. Cal.	300,426	2,453,445
Ohio National	453,329	3,473,471
Pacific Mutual	275,173	3,293,161
Penn Mutual	670,166	3,743,031
Phoenix Mutual	443,401	4,823,522
Polycy. Nat. S. D.	435,500	3,224,222
Prudential	291,056	3,036,645
Travelers	340,852	2,000,140
Union Central	173,999	1,144,674
United Benefit	605,283	390,000
Washington Natl.	402,500	

The new business of the two South Dakota companies last year was \$1,151,937, as compared with \$4,844,021 the year before. The amount in force was \$15,309,684, as compared with \$16,377,205.

### Legislatures Adjourn

Legislatures meeting this year in a majority of the states have adjourned, including Georgia, Kansas, Kentucky, New York, Virginia and Arkansas. Mississippi, New Jersey and Rhode Island are still in session.



## VIEWED FROM NEW YORK

By R. B. MITCHELL

### Couldn't Keep Face Frozen

**So E. V. Carbonara Decided That a Natural, Direct Approach Works Best, Anyway**

E. Vernon Carbonara, who was the straight-talking half of the New York City Life Underwriters Association's lecture on "Straight Thinking and Straight Talking," got his initial lesson in directness of approach the first time he made a life insurance solicitation. In the life insurance sales training course he had taken he had learned that a good way to get past the girl at the switchboard is to ask for the prospect in a brusque, businesslike manner. At the same time the agent looks at his watch, the implication being that he has an appointment with Mr. Prospect. The agent then turns his back on the girl, further conveying the impression that he is not in market for any further conversation with her. Quite frequently the girl will assume that an appointment has actually been made.

### Didn't Fool the Girl

On his first call Mr. Carbonara went through this performance very impressively. But not quite impressively enough, for the switchboard girl, instead of announcing him to her boss, asked him what he wanted to see Mr. So-and-so about. Unable to keep his features frozen any longer, Mr. Carbonara wheeled around and with his natural grin told the girl, "If I told you what I'm supposed to tell you, I couldn't keep a straight face and if I

told you what I'm really here for, you wouldn't let me in."

"What is it? Life insurance?" the girl asked, smiling.

"Yes," said Mr. Carbonara. But the girl got him in to see her boss, just the same. A pleasant interview, though no sale, resulted. It turned out that the boss was one of the foremost financial experts in the country. He had \$100,000 of life insurance and would have liked to make it half a million but was uninsurable. But from then the young agent never attempted any type of sales activity that was not fully natural to him.

### Never Lost a Client

It has worked out all right, too. Though he is consistently one of his company's biggest writers, he is proudest of the fact that he has never lost a client.

Mr. Carbonara has an engineering background, which is unusual for a successful life agent. Surveys have indicated that engineers are poor bets as agents, though there are such notable exceptions as Mr. Carbonara and Leon Gilbert Simon, associate general agent of the Equitable Society in New York City.

### Leading Woman Producer

Mrs. Fay Levy, since joining the Frank Rab unit of the I. A. Lewis agency Equitable Society, New York, in 1934, has led all women agents of the Equitable in total new business written. Her production in 1937 surpassed all records of previous years, paid business totaling \$672,000 with premiums of over \$24,000. Mrs. Levy is a member of the Women's Quarter Million Round Table and has never sold less than half a million a year. Her business is almost exclusively among prominent executives in commercial and professional fields. She often goes into conference with policyholders' lawyers and accountants to make sure the final insurance program will coincide with provisions of other estate plans. A graduate of the Equitable field school, Mrs. Levy is well versed in business insurance, tax problems, wills, trusts and pension plans. She has been a popular speaker at Equitable women's sales congresses and meetings of the quarter million producers in New York. She is a competent and intelligent producer, is possessed of a refreshing personality and an enthusiastic believer in the value of insurance and annuities in a person's financial program.

### Joins Patterson Agency

Hartwell R. Cragin, leading producer of the M. H. Leonard agency of the National Life of New York City, and associated with Mr. Leonard until his resignation from that company, has joined the Lloyd Patterson agency of the Massachusetts Mutual. Mr. Cragin was graduated from West Point in 1923 and after two years in the army went into Wall Street, where he sold securities for Lee Higginson & Co. for eight years. He went into the life insurance business with Mr. Leonard when he opened an office at 225 Broadway for the National Life.

### Girls Captain Contest Teams

Largely as a result of novel sales contests in which the captains were girls of the office staff, the Kee agency of the Mutual Life in Brooklyn has qualified more than double its usual number of delegates for the company's national convention in San Francisco in June. Five teams were organized among the agency's main office and branches, the winner being the Williamsburgh district office, of which Miss Margaret Mc-

Keegan was team captain and Morris Largeman district manager. Miss Josephine Nalenc headed the team winning second place, the Hempstead branch office. Third honors were divided between the teams captained by Miss Katherine Lito and Miss Anastasia Grew, both of the main office.

Manager Kee was host at luncheon to the winning agency, the guests being District Manager Largeman, H. M. Firestone, J. P. Weinstein, Louis J. Jarrow, Sidney Levy, Seymour Levine, B. P. Weinstein, A. P. Kruh, and C. E. Haas, educational director at the main office.

### Pennell Back from South

Frank W. Pennell, who on Dec. 31 retired as the head of the State Mutual Life's leading agency to return to personal production, has returned from a month's vacation trip in the south. While in Florida he visited both the east and west coasts and indulged in his two favorite hobbies, fishing and motion picture photography.

In recent months Mr. Pennell has shown the salmon fishing pictures he took at Anticosti Island seven times publicly and many more times before smaller groups. These have been termed by experts some of the finest salmon pictures in existence. Mr. Pennell has shown his pictures before the New York communications sections of the American Society of Electrical Engineers, the Michigan Alumni Club of New York City, the Boy Scouts, and various men's clubs.

### Faser Appoints Krooss

H. M. Faser, Jr., general agent Penn Mutual Life, New York City, has appointed H. E. Krooss as supervisor, with Long Island as his territory. Mr. Krooss, who is 26, is a graduate of Muhlenberg college and has a master's degree from the University of Pennsyl-

vania. He has been with the Faser agency a year and a half and has made an outstanding production record.

### Recession Hits Brokerage

Brokerage supervisors for New York City agencies have found that the business recession has caused many brokers to shift the selling emphasis which they would normally give to life insurance to accident coverage. For the time being, the quick profits in the sale of accident policies more than outweigh the desirability of plugging for life insurance applications.

The brokers—and particularly the brokerage solicitors—hope that all this concentration on accident insurance will result in some good life insurance business from prospects brought to light via accident coverage's entering wedge. So far, however, these indirect benefits have not materialized. The result is that brokerage solicitors are up against not only greater sales resistance among their brokers' prospects but in addition a lack of willingness among brokers to push aggressively for what life business they might be able to get.

### "Robertson" Bill Defeated

LITTLE ROCK, ARK.—The Arkansas legislature defeated three life insurance bills before adjournment. The house insurance committee reported unfavorably on a bill to require foreign companies to invest 85 percent of the reserves on Arkansas policies in Arkansas securities.

By referring to committee on the final day, the house killed a bill to exclude from courts a defense of suicide unless the defendant company is able to show that the insured at the time of purchasing insurance had suicide in mind.

A bill to make the gross premium tax applicable on the business of foreign fraternal was withdrawn.

### Made Supervisor of Beardslee Agency



O. M. BALL

O. M. Ball, formerly supervisor of the Newark agency of the State Mutual Life, has joined the Beardslee Agency of the Columbian National Life in New York City, as a supervisor and will work with Supervisor Frank Sexton of that agency.

He entered life insurance in 1929 with the Travelers. After graduation from the home office course, he was made a field assistant and assigned to the Newark office. Several years later he became general agent in New York City for the United States Life, where he remained for several years and was then transferred in a similar capacity to Newark.

## IT'S NEVER EASY TO BUILD AN Agency



WITH COMMONWEALTH YOU'LL FIND  
MUCH SMOOTHER SAILING

You'll cut sales resistance to a minimum through our close cooperation with you in meeting the problems of your client. Meanwhile, the many types of Commonwealth policies will extend your influence into ever-widening profit circles.

IT WILL PAY YOU TO INQUIRE ABOUT THE PROFITABLE AGENCY OPENINGS NOW AVAILABLE.

COMMONWEALTH LIFE INSURANCE COMPANY HOME OFFICE LOUISVILLE, KY

## Important Insurance Bills Pending Before N. Y. Govern

ALBANY, N. Y.—Among the bills affecting life insurance still awaiting the governor's signature are a bill regulating contracts between industrial companies and agents and a measure excluding endowment insurance from the definition of industrial insurance.

Of interest to life companies as investors are bills covering mortgage investments. One continues the emergency moratorium on real estate mortgage foreclosures to Jan. 1, 1940 and another extends the moratorium against deficiency judgments to Jan. 1, 1943. There is also a bill limiting time for action on judgments recovered in connection with real estate mortgages and bonds and another bill reducing the period for actions on mortgages and bonds from 20 years to six under the statute of limitations.

## Sacks Agency School Ends

A. C. Cromer and R. Klein, assistant agency managers of the K. M. Sacks agency Equitable Society, Chicago, have completed their first new agents training

school for 1938. Under a new plan, agents trained were not put under contract immediately but taught over a 30-day period. Those showing an aptitude for selling and producing good volumes during the period were placed under contract. Out of 13 men starting the course only five were hired on a full-time basis. These five wrote 13 cases for \$52,000. The keen interest shown in the school is evidenced by these new agents forming a study club. Messrs. Cromer and Klein are planning a new school to start immediately upon the conclusion of the "Par for Parkinson" campaign in April.

## Production Figure Incorrect

Due to an error in the report of the Bankers Life to the Illinois department, THE NATIONAL UNDERWRITER, issue of March 25, listed the 1937 production of the Bankers Life in Illinois as \$1,189,791, when it should have been shown as \$6,189,791.

Frederick W. Katts of the mathematical department at the home office of the Mutual Benefit Life has just rounded out 40 years of continuous service with the company.

# ACTUARIES

## CALIFORNIA

Barrett N. Coates Carl E. Herfurth  
**COATES & HERFURTH**  
CONSULTING ACTUARIES  
532 Market Street 437 S. Hill Street  
SAN FRANCISCO LOS ANGELES

## INDIANA

Haight, Davis & Haight, Inc.  
Consulting Actuaries  
FRANK J. HAIGHT, President  
Indianapolis, Omaha, Kansas City

## DIST. OF COLUMBIA

Specialty, Income Taxes of Insurance Companies  
**WILLIAM W. CHAMBREAU**  
Consulting Actuary and Tax Consultant  
Organization, Management, Tax Service  
Investment Bldg., Washington, D. C.

## HARRY C. MARVIN

Consulting Actuary  
8th Floor Peoples Bank Building  
INDIANAPOLIS, INDIANA

## ILLINOIS

### HARLEY N. BRUCE

Consulting Actuary  
Insurance Center Building  
330 So. Wells Street  
Chicago, Illinois  
Wabash 5810

### DONALD F. CAMPBELL and DONALD F. CAMPBELL, JR.

Consulting Actuaries  
160 N. La Salle St. Chicago, Illinois  
Telephone State 1213

### CONOVER & GREEN

Consulting Actuaries  
Auditors & Accountants  
120 South LaSalle Street  
Chicago

### HARRY S. TRESSEL

Certified Public Accountant and Actuary  
10 S. La Salle St., Chicago  
Associates  
M. Wolfman, A. A. I. A. Franklin 4020  
H. A. Moscovitch, Ph. D.  
L. J. Lally

## MISSOURI

### T. C. RAFFERTY

Consulting Actuary  
Actuarial, Agency and Management Problems  
915 Olive St. St. Louis, Mo.  
Tel. Chestnut 1437

## NEW YORK

### MILES M. DAWSON & SON

CONSULTING ACTUARIES  
500 Fifth Avenue New York City

Established 1865 by David Parks Fackler

### FACKLER & COMPANY

Consulting Actuaries  
Edward B. Fackler Robert D. Holman  
5 West 40th Street New York City

## PENNSYLVANIA

### FRANK M. SPEAKMAN

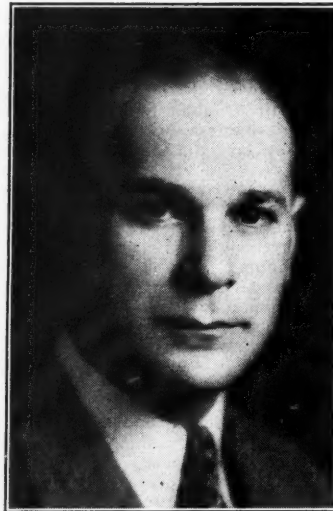
CONSULTING ACTUARY  
Associates  
Fred E. Swartz, C. P. A.  
E. P. Higgins  
THE BOURSE PHILADELPHIA

## AMONG COMPANY MEN

### McConachie Joining Yeomen

Becomes Assistant Superintendent of the Des Moines Company Working with Vice-President Moriarty

Appointment of H. S. McConachie as assistant superintendent of agents for the Yeomen Mutual Life of Des Moines has been announced by John J. Moriarty, agency vice-president. Mr. McConachie has had 17 years life insurance



H. S. McCONACHIE

experience, in home office, field and organization work. Starting with Central States Life in St. Louis in 1920, he spent five years in the field, was then transferred into home office work, and was agency supervisor when he resigned from the company in 1933. He then became associated with the American Reserve of Omaha as supervisor of agencies.

Mr. McConachie is a graduate of St. Louis University, where he studied law, attaining his degree in 1925 while working with the Central States Life. He enjoyed unusual success as a field organizer. In his new position, he will concentrate on organization and supervision work, first in the Yeomen Mutual's home state, and later extending his activities to other states.

## C.L.U. NEWS

### DR. BAILEY SPEAKS IN CHICAGO

Dr. William B. Bailey, statistician of the Travelers, will speak at a luncheon meeting of the Chicago C. L. U. chapter April 1 on "Life Insurance in 1938." This meeting will be open to all agents.

Dr. Bailey is a noted analyst and economist with the Travelers. Prior to that he was on the faculty of Yale.

Once a year the Chicago C. L. U. sponsors an open meeting. The speaker will be introduced by E. B. Dudley, branch manager Travelers. E. M. Schwemm, chapter president, will preside.

The C. L. U. chapter plans to honor A. J. Johannsen by presenting him an engrossed parchment bearing signatures of officers and members. This is in recognition of Mr. Johannsen's devotion to C. L. U. activities in Chicago, as director of the N. U. life insurance course; for his preparation of C. L. U. cram courses, etc.

### MURRELL TALKS ON "HOW"

T. G. Murrell, general agent Mutual Benefit Life, spoke to the Los Angeles C. L. U. chapter on "How."

### Bourke Now Vice-president

Advanced by Volunteer State to Succeed A. V. Mozingo, Who Goes with Kansas City Life

Thomas F. Bourke has become agency vice-president of the Volunteer State Life to succeed A. V. Mozingo, recently resigned. Mr. Bourke has been with the company since January, 1937, as superintendent of agencies. He entered insurance in Omaha in 1915 as agent of Equitable Society, New York. In 1918 he was appointed manager of Equitable's New Mexico agency with headquarters at Albuquerque, continuing in that position until 1923 when he returned to Omaha as Nebraska manager of the International Life of St. Louis. Just before joining the Volunteer State in 1933 he was for six years vice-president and superintendent of agencies of the Northwestern Life of Omaha.

Mr. Mozingo, who has been with the Volunteer State Life for more than seven years, goes with the Kansas City Life as southeastern regional agency supervisor. He will be in charge of the agency organization of that company in eight southern states with his headquarters in Birmingham. Before going with the Volunteer State he was for 15 years with the Jefferson Standard Life as branch manager and superintendent of agencies. He spent four years in the field as a soliciting agent.

### Bartlett and Keefe on Road

Dr. William B. Bartlett, medical director of the John Hancock Mutual Life, accompanied by Frank J. Keefe, assistant manager of the underwriting department, were in San Francisco conferring with Karl L. Brackett, general agent, and local representatives. They also visited Harold Saul, southern California general agent, in Los Angeles.

Dr. George Van Wagenen, 93 recently celebrated his 60th anniversary as a medical director of the Mutual Benefit Life in Newark. Although he has been active for several years, and now spends most of his time at his Florida home, correspondence keeps him in touch with home office affairs. Dr. Van Wagenen and the company both started life in the same year.

The 1938 Unique Manual-Digest covers all life insurance statistics. \$5. National Underwriter.

## Given Advancement



THOMAS F. BOURKE  
New Agency Vice-President



## Agricultural Life Put in Charge of Court Custodian

(CONTINUED FROM PAGE 3)

the corporate articles. Most of the mortgage transactions were alleged to have been carried on with the R.F.C. mortgage company.

Gross mismanagement in underwriting was charged in the petition, it being set forth that sub-standard risks had been accepted at the express direction of President Brady after their recommended rejection by the medical examiner.

### Drain on the Company

The managerial tactics, it was charged, created dissension within the executive personnel, resulting in numerous resignations. Subsequently, it was cited, disturbing reports were received by policyholders relative to company's practices, bringing about an abnormal drain on the assets. From Feb. 1, 1938, to March 26, it was stated, the company made policy loans or cash surrenders approximating \$80,000. It is entirely probable, the petition stated, that the actual impairment of capital stock will exceed

\$69,000 when real estate assets are completely and properly evaluated. The current situation, it was concluded, is hazardous to policyholders, stockholders, creditors, and the public, and the court was asked to create a custodianship or to appoint a temporary receiver to conduct the business.

### Resignations in January

History of events leading up to the court action reveals that S. A. Lambert, now vice-president and counsel for the company, resigned the presidency Jan. 18, subsequently explaining to stockholders that "continued association with the interests in control of the company's majority stock was impossible and it seems incumbent upon me so to advise you." Other resignations at that time included those of Dr. L. N. Hershey as medical director; M. L. Cline as treasurer and underwriter, and A. F. Alders, A. C. MacKinnon, and William J. Lambert, father of Selwyn, declined to continue service as directors.

Brady, according to reports from Cleveland, pleaded not guilty to mail fraud charges at Cleveland where he was indicted with three other officers of the Hickox Finance Co. U. S. District Attorney Freed charged them with perpetrating a \$400,000 fraud. The company, he said, dealt in passbooks of closed banks and building and loan associations, and in whisky warehouse certificates. The SEC restrained the company last year from paying dividends out of capital stock and a bankruptcy plea was filed.

## YOU WIN

when you play



## MONEY CON

it's new—it's fascinating

The game of Money Con is really Money Control. Folders and specially designed Cada Banks have been created in matched sets for this game.

The plan has been developed by leading agency managers and is producing splendid results.

These novel folders uncover a host of new prospects, and the time-tested, reliable Cada Bank makes the "Close" certain.

Be the first in your territory with this UNIQUE plan!

Send Coupon or Write

### CADA SALES SERVICE

501 South Dearborn Street  
Chicago, Illinois

Please send me free sample folders and complete information about the new Matched Cada Plan.

Name .....  
Company .....  
Address .....  
City and State .....

## Life Men Urged to Study Tax-Trends in Helping Sales

(CONTINUED FROM PAGE 3)

regarded as property just the same as securities or any other asset. It follows that a life insurance trust, or any other trust, to be effective in minimizing death duty taxes, must be drawn carefully in order to prevent the trust assets becoming taxable at the death of the grantor under the theory that the gift was not complete until at or after his death.

### Special Form of Trust

Life underwriters should give consideration to a special form of trust well adapted to the use of life insurance policies, said Mr. Berry. This might be called an annuity trust, although not to be confused with the usual annuity policies issued by insurance companies. Life insurance, stocks, bonds or other property might be used to set up an annuity trust. For example, assets or policies producing proceeds of \$500,000 might be placed in a trust anticipating a yield of \$20,000. It might be then provided in the trust instrument that the beneficiary should be paid \$10,000 a year out of the trust, his payment to be fixed and certain in amount and without relationship to the actual income of the trust. In addition it might be provided that the beneficiary should receive, over and above the fixed \$10,000, any income earned by the trust in excess of that amount. The tax effect of the foregoing provisions would be this: the beneficiary would receive each year \$10,000 as an annuity which would be entirely free of federal income tax to the recipient, only the income over \$10,000 paid to the beneficiary being taxable to him. The trustee, on the other hand, would be subject to tax on the part of the trust income actually used to pay the fixed annuity. It follows that the income of the trust would be divided between two taxpayers and the aggregate tax substantially reduced. In addition to these income tax savings, such a trust, if properly drafted, also reduces death duty taxes by removing the value of the corpus of the trust from the taxable estate of the grantor.

The "discretionary trust" is also becoming more or less popular. It is irrevocable and vests wide discretionary power in the trustee. Income may be distributed when, as and if the trustee

chooses to make a distribution. Thus, if he does not make a distribution of income received during the year, the trustee pays the tax on that income and not the beneficiary whereas any income distributed to the beneficiary is taxable to him. As a result, the trustee is in a position to exercise a certain control over the tax liabilities arising from the trust income.

### Create Living Trusts

Mr. Berry stressed the particular value of life insurance as a medium in the creation of living trusts. Setting up of an irrevocable trust involves a necessary gift tax liability. Life insurance policies, however, when placed in trust, are valued at substantially their surrender value for gift tax purposes; consequently, it is frequently possible to take out of the prospective taxable estate a very large amount in terms of insurance proceeds without incurring any very considerable gift tax liability since the face value of the policies placed in trust may be greatly in excess of the surrender value. The increment of increase, that is the difference between the cash surrender value when the gift was made and the amount paid upon the death of the insured, is not subject to gift tax, estate or inheritance taxes.

The trustee of a life insurance trust may be authorized in the trust instrument to purchase assets from the executor or administrator of the estate of the insured. As a result, money may be placed in the hands of the estate without incurring a death duty tax and at the same time without forcing the estate to sacrifice assets to secure cash to meet the death duty payments and administration expenses, said Mr. Berry.

## How O. R. Carter Got a Vision of Life Insurance

O. R. Carter of Chicago, inspector of agencies of the New York Life, is an Arkansan. He springs from Little Rock and started with the New York Life office there as a boy. He probably did not appreciate what life insurance meant but one incident in his early days convinced him that it towered high in human service. An agent had written a farmer for \$1,000 and he later died. The New York Life manager at Little Rock asked young Carter if he desired to get on a train and go 75 miles to deliver the draft. Mr. Carter did not have much money but he thought the incident might be productive of new business. When he got to the station he found that the widow lived on a farm some three miles off so he trotted out to the farm.

### Impressions of the Visit

He ascertained that the \$1,000 was all the widow had. She informed Mr. Carter that if it were not for the life insurance she would be in a terrific plight. He saw there was no opportunity to write new business and if there were he realized that while the first premium might be paid out of the policy proceeds there would be no chance of getting another, because the woman had nothing. Then Mr. Carter hiked back to the railroad station and in the little village he wondered who were the influential friends of the dead farmer. He thought of the local minister, the head of the bank, attorney, doctor, etc. He came to the conclusion that the best friend he had was the life man who sold him the policy, probably much against the will of the agriculturalist. When it came to the end, the \$1,000 was all that the widow had. Mr. Carter by this instance had vividly impressed on his mind the service of life insurance and the opportunity that an agent has to contribute to the welfare of mankind. Thereafter he was from that time a life insurance evangel.

### Advertisement



Making salesmen "national advertising conscious" is a full time job. Week to week, month to month, year in and year out, Bankerslife keeps telling 'em about the ads and showing 'em how to use the ads to increase sales. The result is that, on the average, every ad is called to the attention of 6,000 prospects, handpicked by Bankerslife salesmen. Sales, accordingly, of course.

—BLC—

One of Manhattan's most prolific producers wrote most of his business on Park Avenue prospects . . . Chided about his "luck with the big shots," the underwriter challenged the entire office force to a contest, the winner to be determined by the number of applications . . . Target of the contest was the average man, but the challenger went about in his town car, carrying with him his own doctor . . . He won, of course, but . . . while he was out seeing a "small business man" one day, his nearest opponent came along, sold his chauffeur.

—BLC—

Broadcast to a world-wide and eager audience was Secretary of State Cordell Hull's reciprocal trade speech at the second annual National Farm Institute in Des Moines last month. Center of interest in farm problems and birthplace of the unique and progressive Institute, Des Moines is known as the home office city of the Bankerslife, whose President, Gerard S. Nollen, was chosen most worthy of welcoming Secretary Hull on arrival.

—BLC—

When Bankerslifeman Dale E. Miller, Lorain, Ohio, sits down with husband and wife to discuss the family's absolute minimum requirements, should the paychecks suddenly cease, he jolts many a husband with this one: "You give your wife a certain sum of money each month to run the home, take care of herself and the children. How much does she give back?" Dale says it's the best action-getting statement he's found yet. His sales back up his assertion.

**BANKERS LIFE**  
DES MOINES  
Established 1879 **COMPANY**

## Illinois Annual Meeting and Sales Congress May 20-21

Plans are shaping for the annual Illinois sales congress to be held at Bloomington May 21. The annual meeting of the Illinois Association of Life Underwriters is to be held following a dinner in Bloomington May 20. The sales congress is a joint affair, with the Bloomington association as host and the state association cooperating. A notable program is planned with a number of nationally known life men as speakers. W. M. Lateer, Peoria, state president, will preside at the dinner and will be co-chairman at the congress.

### Hobbs May Be Advanced

P. B. Hobbs, first vice-president, is chairman of the program committee. According to regular progression, he probably will be elected president at Bloom-

ington. He is chairman general agents and managers division National Association of Life Underwriters.

### Pacific Mutual Agency Contests

Intra-agency spring "tonic" contests are being held by the Pacific Mutual Life. At Louisville, the T. H. Wall general agency is engaged in the "Carroll Day handicap" in honor of C. C. Day of Oklahoma City, with a silver cup as a trophy. A "spring fever contest" is being conducted by the G. C. Lyman general agency at New Orleans. The F. B. Schwenker general agency in the southwest is engaged in a "rodeo," Texas, New Mexico and Arizona being included in the group, with weekly prizes, and the title of "best all-round cowboy" for the leader. Hazen Exeter, Salt Lake City general agent, is putting on his annual spring fishing contest. C. C. Day is starting the annual "Circle C" round-up.

## What Is Legal Reserve Fraternal Life Insurance?

(This is the second of a series of advertisements outlining briefly a few characteristics of this type of protection—points that may not be generally understood by the otherwise well informed and intelligent fraternity of life insurance executives and salesmen.)

2. Legal reserve fraternal societies operate under strict state laws, must maintain reserves in accordance with those laws and are subject to the same careful and thorough examinations periodically by the same insurance departments that examine other types of insurance organizations.

Like the record made by the legal reserve fraternal as a whole, it was never necessary for the Ben Hur Life Association to borrow money from the government or any other source to meet all cash demands.

## BEN HUR LIFE ASSOCIATION

Established 1894

Home Office: Crawfordsville, Ind.

John C. Snyder,  
President

Edwin M. Mason,  
Secretary

## WOODMEN OF THE WORLD LIFE INSURANCE SOCIETY

A Legal Reserve Fraternal Founded in 1890

Paid to members and their beneficiaries more than.....\$285,000,000  
Insurance in force more than..... 420,000,000  
Admitted assets more than..... 125,000,000  
Certificates of insurance contain modern privileges to meet every need.

De E. Bradshaw, Pres.

Omaha—Nebraska

## NEWS ABOUT LIFE POLICIES

BY J. H. RADER

New Policies, Premium Rates, Dividends, Surrender Values, and all Changes in Policy Literature, Rate Books, etc. Supplementing the "Unique Manual-Digest" and "Little Gem," Published Annually in May and March respectively. PRICE, \$5.00 and \$2.50 respectively.

### Travelers Has Payor Clause

Adds to Juvenile Line; Also Brings Out Additional Retirement Income Forms

The Travelers, in connection with insurance issued on children ages 10-19, inclusive, has adopted the payor clause. This may be added to juvenile policies, providing that if the parent or other person paying the premium on the child's insurance dies before the child reaches age 25, all subsequent premiums falling due before the child reaches age 25 will be waived. When the child reaches 25 he must assume the payment of premiums. The provision may be extended so premiums will be waived by either death or total disability of applicant.

The disability feature will not be issued without death coverage, and in Massachusetts will not be issued under any circumstances. The parent or person who pays premiums must be eligible for regular waiver of premium disability provision.

### Considered for Non-medical

The payor clause may be attached to any policy form regularly issued at the child's age provided the premium period runs at least to age 25. Maximum amount of insurance which may be considered with the payor clause is \$10,000 but in several states there are restrictions which do not allow this full amount to be written. Non-medical applicants for payor clause will be considered regardless of amount of insurance under regulations for non-medical, but medical examination is required for the child.

The Travelers has increased its retirement income line by addition of retirement income at 50 and 20 payment retirement income maturing at 55, 60 and 65. These have the same general provisions as the regular retirement incomes heretofore issued.

Rates for the payor clause at quinquennial ages (per \$100 of premiums to be waived), and for the other contracts are:

Parent's Age		Child's Age			
10	11	12	13	14	
30 \$6.09					
35 6.31	\$6.04	\$5.79	\$5.54	\$5.30	
40 7.17	6.85	6.58	6.30	6.03	
45 9.10	8.57	8.07	7.63	7.20	
50 13.20	12.21	11.34	10.55	9.83	
55 20.36	18.78	17.33	15.94	14.63	
	15	16	17	18	19
35 5.06					
40 5.77	5.51	5.26	5.02	4.79	
45 6.82	6.53	6.24	5.96	5.69	
50 9.18	8.59	8.06	7.61	7.18	
55 13.43	12.38	11.37	10.45	9.58	

### 20-Pay. Retirement Income

Age	Male			Female		
	Maturity at	60	65	Maturity at	60	65
10	\$34.83	\$28.66	\$24.35	\$37.14	\$30.47	\$25.67
15	39.75	32.29	27.08	42.54	34.48	28.67
20	45.63	36.59	30.28	48.99	39.25	32.20
25	52.40	41.71	34.04	56.39	44.93	36.37
30	60.71	47.76	38.47	65.47	51.61	41.30
35	55.38	44.21	35.95	59.95	47.67	
40			51.23		55.30	

### Retirement Income at 50

Age	Male		Age	Female	
	Male	Female		Male	Female
10	\$28.72	\$30.53	26	\$60.75	\$65.09
11	29.88	31.79	27	64.44	69.07
12	31.11	33.11	28	68.43	73.93
13	32.42	34.52	29	72.79	78.08
14	33.82	36.02	30	77.57	83.23
15	35.29	37.61	31	82.82	88.89
16	36.85	39.31	32	88.63	95.16
17	38.52	41.11	33	95.10	102.14
18	40.30	43.03	34	102.34	109.96
19	42.20	45.05	35	110.54	118.81
20	44.24	47.28	36	119.94	128.95
21	46.44	49.66	37	130.88	140.69
22	48.83	52.23	38	143.73	154.55
23	51.43	55.04	39	159.08	171.09
24	54.27	58.10	40	177.66	191.22
25	57.37	61.44			

### Metropolitan Participation

Second Year Dividends on \$5,000 Whole Life Contract Are Shown in Tabulation

A tabulation showing Metropolitan dividends did not include the second year dividend on the \$5,000 whole life plan. In addition, the maturity dividend on retirement income age 65 (male and female), endowment age 65, and retirement income age 60 (male) is in the amount of 5 percent of maturity value. The second year dividend on the \$5,000 whole life is:

Age		Div. End Yr.		Age		Div. End Yr.		Age		Div. End Yr.	
15	19.85	32	19.75	49	21.70						
16	19.85	33	19.65	50	22.40						
17	19.85	34	19.60	51	23.25						
18	19.85	35	19.50	52	24.25						
19	19.85	36	19.45	53	25.30						
20	19.85	37	19.35	54	26.55						
21	19.85	38	19.30	55	27.90						
22	19.90	38	19.25	56	29.50						
23	19.90	40	19.30	57	31.25						
24	19.90	41	19.30	58	33.10						
25	19.90	42	19.35	59	35.10						
26	19.90	43	19.45	60	37.35						
27	19.90	44	19.60	61	39.70						
28	19.90	45	19.85	62	42.25						
29	19.90	46	20.20	63	44.95						
30	19.85	47	20.60	64	47.80						
31	19.80	48	21.10	65	50.85						

### Midland Life to Raise Rates

Due to their belief that the current relatively low interest returns will prevail at least for some years, executives of the Midland Life announced that they were beginning "to analyze our policies with a view to making such upward revisions in premium rates and reductions in surrender values as prove to be necessary."

It is expected that increases will be necessary on practically all policy plans, particularly at the older ages. The company expects to be ready to publish the new rates and values about July 1.

### Boyd Fort Wayne Speaker

Lowell Boyd, Kokomo, Ind., general agent Equitable Life of Iowa, spoke at a dinner meeting of the Fort Wayne (Ind.) Association of General Agents & Managers. V. J. Harrold presided.

## 20th ANNIVERSARY

The first policy issued was dated September 18, 1918. Going into the twentieth year, there were in force, 58,889 policies for \$61,097,084.00 insurance protection.

### PERFORMANCE

Every year since organization, Lutheran Brotherhood shows a steady, consistent increase. As of December 31, 1937, ratio of assets to liabilities was 110.40%... actual to expected mortality 24.85%... Assets \$7,523,062.79... surplus \$906,961.42. Cash benefits paid out total \$4,055,465.10.

**INDIVIDUAL NEEDS SERVED**  
Lutheran Men, Women, and Children, ages from birth to sixty-five are eligible for all standard forms of life insurance and annuities.

**AGENCY OPPORTUNITIES**  
Lutheran Brotherhood operates in twenty-six States and in Canada. To those who can qualify and are interested, excellent agency opportunities are offered.

★ SECURITY ★  
★ PROGRESS ★ ★ STRENGTH ★

## LUTHERAN BROTHERHOOD

Legal Reserve Life  
Herman L. Ekern, President  
HOME OFFICE: Minneapolis, Minn.



# Sales Ideas and Suggestions

## Fact-Finding Approach Gets Picture of Prospect's Needs

To get an accurate picture of a prospect's insurance needs a fact-finding approach is desirable, said Charles H. Wible, supervisor of the Ellis general agency of the Provident Mutual Life at Cincinnati at a tri-state sales congress there. Four steps taken in an effective fact-finding approach were outlined by Mr. Wible:

(1) You must justify your right to be in the presence of the prospect. He didn't ask you to call on him. Your opening remarks must be such as will build prestige for you, the agent. How did you come to call on him? Did he reply to a home office circularizing letter? Did a friend, a neighbor or a so-called "center of influence" make it possible for you to come to see him? This part of your fact-finding story should be so interesting that it will just naturally let you get into the second step. With this done you should proceed.

### What You Will Do

(2) You should tell your prospect either directly or indirectly what you expect to do for him. This pertains to whatever method of programming you are using. It might be well for you to have a sample program, or, better still, your own program. Either show him or tell him what you expect to do for him.

(3) By the time you have gotten to the third step you should be in a position to ask him questions. Simple questions, questions that are easy for the prospect to answer are good ones to use in the beginning. You should know what you want to ask him, you should have a routine for asking these questions, and you should follow this routine in each and every interview. In

my own case, I seldom ask for a man's policies in the first interview. I do want information on his policies, however, so I have a simple routine that I use. I ask him first of all in what companies he owns life insurance and then I take one policy at a time and ask these questions in their sequence:

When did you take the policy?  
What type of policy is it?  
What is the amount of the policy?  
How do you pay the premium?  
What do you do with the dividend?

### Get Pertinent Data

If he has three policies, I have asked him 15 simple questions—questions that are easy for him to answer. I have gotten him into the habit of answering questions and I can, therefore, proceed to get from him the other pertinent data, such as, dates of birth, outside property owned, income, what job he thinks his insurance should do, what he would like to have for a retirement income, etc.

(4) Having this information in itself will be of no good unless we do something about it. This takes us to the fourth step and that is, selling the prospect on the idea of a second interview. Make a date then and there to see him before too much time has lapsed.

Check your fact-finding story against these four points:

(1) Are you justifying your right to be in the presence of the prospect?  
(2) Do you tell him directly or indirectly what you expect to do for him?  
(3) Do you know the questions you want to ask, and do you follow this routine in each and every interview?  
(4) Do you sell your prospect on the idea of the second interview?

## Bouquets Get Applications

Getting prospects with bouquets is an effective plan used by W. I. McBride, Equitable Life of Iowa district agent at Columbia, Mo. Mr. McBride has arranged with a local florist so that both hospitals in the town of 21,000 notify the florist of every confinement case. He secures the baby's exact birth date, and the name and the names of the parents. The florist keeps a supply of Mr. McBride's business cards on hand and either the first or second day delivers a nice bouquet of flowers to the mother with Mr. McBride's card. Across the card is written diagonally "Congratulations." This is all the advertising which is used in the particular prospecting plan.

The florist uses seasonal flowers and sells the bouquets to Mr. McBride at 40 cents each. In four months he delivered 47 bouquets which cost \$18.80. The florist takes care of all the deliveries and at the end of each week brings Mr. McBride the bill with the names and birthdays.

### Call and Thank Him

Some people call Mr. McBride up and thank him, others come to the office. If he doesn't hear from the father, Mr. McBride usually waits about 10 days after the baby and mother have gone home before contacting him. In most all cases the first baby means a sale, but with the fourth or fifth the chances of selling additional insurance

are correspondingly slimmer. In the four month period from the \$18.80 flowers, Mr. McBride sold seven policies for \$18,429 and made \$150.44 first year commissions. The policies included two juvenile for \$2,000, one term for \$5,000 and another for \$3,000, one annuity for \$3,429 and two ordinary policies for \$5,000. In addition to the business actually written, Mr. McBride has 10 or 12 very good prospects that he expects to write in the next month or two. Not only is immediate business good, but the birthday file is of great value as time progresses. The plan creates a great deal of good will in the community and Mr. McBride has received many comments to indicate the plan is worth following through as a permanent prospecting program.

Mr. McBride is only 32 years old and during his first year, 1937, as district agent in Columbia he secured four full time men under contract and wrote \$213,000 of personal business in addition to a rather extensive organization program.

### Education Is Continuous

"There is no diploma in selling for the life insurance salesman," says J. Harry Wood of the John Hancock head office.

"His education is never finished. He must keep constantly on the alert to adapt or change his methods as the situation demands it. No modern business man can afford to relax. A swiftly mov-

ing world demands constant study, constant research, constant training—if one is to keep apace. To push on ahead and gain leadership demands an even greater degree of concentration. The life insurance agent who works just a little harder, studies just a little longer, steps out ahead of the crowd in proportion to the sacrifice he is willing to make to become a better representative of his profession."

## Star Producer Must Be Good Prospector

Speaking at his company's agency convention at Miami, Jackson Maloney, vice-president Philadelphia Life, said he had talked to general agents, supervisors and managers of other companies and asked them what the one thing is that makes the star producers stand head and shoulders above all the rest.

"The replies were practically 100 percent: 'They are good prospectors.' Of course, personality, degree of health, knowledge of the business and other factors play their part, but the true basis of the success of such men is their ability to keep a good supply of live leads coming in steadily for their prospect files. If an agent does not have prospects to go and see so as to make use of these other factors, how is he to improve his knowledge of the business and perfect his technique and so increase his production? You must become a good prospector before you can become a good producer."

### Questions for Proper Prospecting

Then he gave this advice—in the form of questions—for proper prospecting.

1. How do you personally think you can increase the number of your good prospects?
2. Do you shy from talking life insurance to your relatives and friends?
3. Does the center of influence method mean anything to you?
4. Do you toy with circularizing—just giving it slight attention, now and then, on the hit-and-miss plan?
5. Do you belong to any organizations and gradually let it be known you are a life underwriter and proud of it?
6. Do you help in community activities or welfare drives and thus expose yourself to large groups of people?
7. Do you render a highgrade service to your policyholder after he has purchased life insurance from you?

"What I am trying to do," Mr. Maloney asserted, "is to get you to multiply your ways of securing good prospects, and having done so, to be consistent and constant in their use. Production will follow."

"Business, if sold correctly, is sold for a definite purpose and in practically every case the need not only continues to exist, but actually increase. You must realize that when you write a prospect for life insurance, the need for the policy will probably become greater with the passing years than at the time it was first taken out. What an opportunity this offers you to write additional insurance from time to time and to keep the old business in force!"

Touching on the subject of conservation, Mr. Maloney remarked that (1) a lapse needs explaining; (2) business kept in force is an asset; (3) over-selling will tend to increase lapses; (4) conservation is the life of the life insurance business; (5) service to policyholders tends to keep business in force; (6) the yardstick for measuring success is determined by persistency as well as sales; (7) conservation starts when business is properly sold to selected risks, and (8) conservation takes time; it takes thought; it takes effort—but it can be made to pay big dividends.

There are three recognized factors, he

## SALES IDEAS OF THE WEEK

### Life Insurance Has Greatest Freedom from Taxation

R. L. Sengle, Hartford attorney, and Paul H. Conway, Syracuse, N. Y., general agent John Hancock Mutual Life, were the final speakers in the Hartford Life Underwriters Association's six-week lecture course. Mr. Sengle, speaking on "Life Insurance Taxation Principles," characterized the life underwriter as a "salesman of liquidity."

Life insurance has greater freedom from taxation than any other form of property, said Mr. Sengle. "If taxes continue to increase the need for cash for estates will increase."

"A man dies net not gross," said Mr. Sengle. In meeting contingencies life insurance is the best means of providing immediate cash.

Mr. Conway, speaking on "The Life Insurance Trust," said that the cash a man may leave is not often relative to the size of his total estate. "An astute man is always putting his money to work for him," he said. "Capital demands that this be done. Thus the man who dies with a \$100,000 estate may leave no more actual cash than the man whose estate amounts to only \$50,000. The percentage of liquidity declines in the higher estates."

Referring to the life insurance trusts, Mr. Conway stated that the farther west one goes, the more terminations he finds on policies brought out through the trust, and that these terminations have in many cases caused strong feeling between life underwriters and trust men. These terminations are usually the result of the economic depression and blame for the situation lies with neither side.

Mr. Conway presented a plan for estate division which he feels is more than adequate in most cases and which offers real opportunities to the life underwriter. The will, to be administered by a corporate executor, should be kept down to a minimum. Trusts should be set up, under the direction of a corporate trustee; these are not so heavily taxed as that part of the estate left in the will. There should be ample life insurance, with optional settlements, to insure a living income for the dependents of the deceased, and to provide enough liquidity to the trust section of the estate. A further safeguard of real value, if the man can afford it, is additional life insurance, set up in an irrevocable trust.

Frank O. H. Williams, Hartford manager for the Connecticut General and chairman of the meeting, said that life underwriters are primarily salesmen, and he decried tendencies to become "half-baked lawyers, tax experts, investment counsellors, etc. There are men whose jobs those are, and who are far more capable than the average life underwriter. We should respect them, just as they do us, and not try to encroach."

said, that determine the proportion of business renewed: (1) The way the business was sold in the first instance; (2) the efforts made by the agent to renew it; (3) the efforts of the conservation department at the home office. "Such a department, however, can help only in exceptional cases. It can seldom save poorly or improperly sold business. It seems to me to be the height of stupidity on the part of any underwriter or any company not to take the conservation of business seriously."

# AGENCY MANAGEMENT

## Rating Persistency, Broader Markets are Considered

Rating business for persistency and selling a broader market were considered at the Sales Research Bureau meeting in Hartford. Manager John Marshall Holcombe, Jr., told of the development of rating work. "Persistent business can now be recognized even while in the hands of the agent," he said. "It has always been evident through hindsight; we now have an opportunity to intelligently exercise foresight in the recognition of business which has been written to stay on the books."

In discussing "Conservation," Lawrence Doolin of the bureau said the first numerical rating plan was introduced 19 years ago. The bureau's persistency rating chart, released six years ago, has proved of real value to the 50 or more companies now using it, he said.

### Five Major Factors

The five major factors in persistency are occupation, age, income, the amount applied for, and the mode of premium payment. The applicant is rated on each of these factors, on a percentage basis. In each case there are four classes, and the applicant receives a score of 50, 60, 70, or 80 percent, according to the class to which he may belong. The five ratings are then averaged together.

### Occupational Factors

In the first factor, occupation, educational workers, professional men, and business men are rated at the top. In the second group come merchants, tradesmen, bank and office employees, railroad men and business women; in the third farm owners, salesmen, students, skilled workers, factory employees and housewives; in the "poor class," scored at 50 percent, are farm renters and laborers, unskilled workers, and children under 18.

Persistency is apt to be more marked with the older applicants, the four classes being divided as follows: Those 40 and over, those 30 to 39, those 25 to 29, and those under 25. Likewise the higher the income the greater chance that the business will stay on the books, and these are classified as follows: Over \$5,000, \$3,000 to \$5,000, \$1,500 to \$3,000, and \$1,500 or less.

### Larger Policies Persistent

Policies for \$10,000 and over rated highest in the matter of persistency, with those of from \$5,000 to \$10,000 next. The last two classes included those from two to five thousand and those under two thousand. Annual premium payments appear best from this angle, with semi-annual premium forming the next two classes. The division is in the amount of the premium; if it is over \$100 it ranks in the second group. Quarterly and monthly premiums form the lowest classification.

To this percentage average is added ten points if the applicant is an old policyholder with insurance in force, five points for a special income settlement agreement, and five points if the application is accompanied by cash.

Deduct five points for a note settlement, preliminary term, and the same amount for term insurance, other than business protection. Deduct 10 points if any previous policy has lapsed or been surrendered, or if this policy is to replace any previous insurance.

Don Mix, agency department State Mutual of Worcester, emphasized that

the plan is a means, not an end in itself. It is of value in agency training and in improving the quality of business generally. It is a sales job to introduce it, he warned, and it must not be arbitrarily imposed upon the agencies. Constant explanation of the relationship between persistency and the manager's income is of real value in arousing interest in the chart.

As for its actual use, the State Mutual is most anxious that new organizations, during their first contract year, keep these records. Reports from the home office at frequent intervals emphasize the good records as well as the poor, and comment upon the underwriting. The company requires charts from agents being financed upon any basis. In case any agent's record is found poor over several months, he is requested to use the chart. A study of these different charts shows, said Mr. Mix, a definite relationship between the rating of new agents and persistency charts.

### Reports Great Success

C. T. Feddeman, agency assistant of the Fidelity Mutual, declared that although his company was the first to use these charts, and has had great success with them, the primary problem is still the getting of good agents. His company employs the charts in much the same manner as the State Mutual. Ten years ago, a high persistency rating was made one of the qualifications for eligibility to the Leaders Club of the company. Quarterly bulletins have for some time been appearing on lapses.

Mr. Feddeman said that agencies with the best rate got the greater part of their business from the better producers, and that the average lapse policy is smaller than the average persistent policy.

"Now that the ratings have proved to be accurate, the important point is to get the agent to increase business with high rating," said D. P. Morris, assistant actuary London Life. His company has been doing its rating in the field for the past two years, he said, and business scored below 56 percent is not usually accepted. Mr. Morris mentioned the value of the chart in prospecting. It has proved to be of great value in agency selection.

### Miller Gives Talk

Kenneth R. Miller of the bureau staff, who is publicity chairman for the Annual Message of Life Insurance Week, said that there has been a pronounced trend over the past five years toward improving the quality of business. "We have recognized the factors which contribute to such improvement, but it is apparent we have placed our major emphasis in a relatively small segment of our potential market."

### Reasons for Consideration

Mr. Miller outlined six major reasons why life insurance men must concern themselves with this problem: "(1) Such tendency in life insurance sales management is unhealthy. (2) We have a social and economic responsibility to serve the average man. (3) Only a relatively small percentage of our present field organizations is equipped by reason of background, training and contacts to work in the Class A market. (4) Growth and development of the savings bank plan of life insurance. (5) Public opinion. There is some

doubt in the public's mind as to whether life insurance companies are being operated to the entire satisfaction of the public. There is a noticeable lack of knowledge on the public's part regarding life insurance. Legislative trends indicate the possibility of adverse legislation which might seriously affect the present structure of the industry. Recent books and articles have done much to give the public the wrong impression about life insurance." The last reason given was the recent legislative trend toward regulation.

### Views Broad Market

Mr. Miller discussed the broad market of the average man. "Practically 92 percent of our people are with incomes of less than \$3,000 and these people account for about 57 percent of the total personal income in this country." A recent study of 20,000 typical life sales conducted by the bureau showed that 65 percent of the applicants from this market owned no other life insurance at the time of the sale, 63 percent of all these sales were for policies ranging between \$1,000 and \$1,999, and 86 percent were for policies less than \$3,000. The average policy sold to those who were previously uninsured was only \$1,600, compared with an average of \$2,700 and \$2,900 for those who were already insured in the same or other companies.

Mr. Miller then answered the question of how much income a family in this group might have available for life insurance. He quoted figures compiled by the bureau of labor statistics on Chicago families with incomes of less than \$3,000 showing that 76 percent reported savings slightly in excess of 5 percent of \$3,000. Other figures show that as high as 13 percent of the income of these families might go toward the purchase, operation, and maintenance of an automobile.

### Small Business Neglected

"It appears that we have not applied scientific study to the production of small business," said Mr. Miller. "The quality of selling directed toward this market will determine the kind of good that comes out of this market. That companies are beginning to recognize this problem is apparent from recent studies made in connection with the introduction and use of the persistency rating chart."

In the final part of his talk Mr. Miller discussed possible solutions of the question as to how this market can be developed profitably. The solution may lie in a combination of suggestions: a reduction of home office expense, a reduction of selling costs, especially where a company is doing business in small units and making only a small expense per unit, and some adjustment of premiums in the direction of intermediate insurance when sold in small units. "Probably the most important from a social point of view is a reduction in agency overhead because it is ridiculous for us to say to the public that we cannot sell small policies profitably because of certain ideas which we have followed in this business for many years." The development of the same business efficiency on small policies as on the larger size policies is imperative.

"If life insurance is to fulfill its function," Mr. Miller concluded, "that of providing protection for the small buyer at nominal cost, it means that we will have to examine our operations carefully, determine the markets which we want to reach and discover how we can best reach those markets at reasonable cost and on a profitable basis."

Mr. Holcombe reviewed the highlights of the two day session.

### Discuss Selection of Agents

The first lap in the season's program was completed at the March meeting of the Oklahoma General Agents & Managers Association, with a general discussion of "Selection of Agents," led by C. C. Day, Pacific Mutual. This subject has been discussed from every angle during the 1937-38 season. With

## Kelly Green Neckties on March 17 Stimulate Men

Kelly green neckties were distributed by the Business Men's Assurance to 450 agents to be worn on St. Patrick's day. Two applications each for the day was the goal. There were reported 150 applications on March 17—a 20 percent increase as compared to the number of applications received on an ordinary day.

the next meeting, April 18, the association will enter the second lap, and begin to study "Training of Agents." "First Month's Training of New Agents" will be the subject discussed at the April meeting, with Homer Jamison of the Equitable Society and one of his superintendents as leaders.

## Plan San Antonio Series

The San Antonio (Tex.) Life Managers Club discussed problems related to a round table program series, and concluded to secure a number of speakers to discuss management methods.

## Ohio Written and In Force Results For Leaders in the State Last Year are Given

Herewith is presented an exhibit of new business written in Ohio and insurance in force in Ohio at the end of the year by the leading writers of life insurance in that state. The first part of the exhibit shows the experience in respect of ordinary business, the second part concerns industrial and the last, group insurance.

### ORDINARY BUSINESS

	Written	In Force
Acacia Mut....	\$ 5,950,429	\$ 48,697,334
Aetna Life.....	9,025,331	90,109,999
Atlantic Life....	569,443	3,511,303
Columbus Mut....	6,495,643	81,801,672
Conn. Genl.....	6,555,403	61,951,901
Conn. Mut.....	7,088,906	66,689,141
Equitable, N. Y.	16,964,457	199,611,054
Equitable, Iowa	5,867,930	73,844,694
John Hancock..	17,273,178	137,325,211
Lincoln Natl....	10,166,298	74,850,078
Mass. Mut.....	13,384,302	141,534,714
Metropolitan...	72,045,786	593,675,732
Midland Mut....	7,307,850	85,360,680
Mut. Benefit....	12,326,066	179,048,990
Mut. Life, N. Y.	13,471,740	185,616,945
Natl. L. & A....	5,782,516	16,819,106
New Eng. Mut..	11,304,621	83,469,111
N. Y. Life.....	19,682,562	307,787,109
N. W. Mut.....	20,918,578	287,011,381
Ohio State Life.	6,752,372	53,738,788
Penn. Mut.....	7,303,948	89,777,393
Prov. Mut.....	5,096,534	58,320,153
Prudential.....	61,417,892	521,677,061
Sun Life, Can..	8,097,798	90,074,202
Travelers.....	12,217,671	143,422,187
Union Central..	11,473,492	136,011,140
Westn. & South.	21,552,280	141,524,340

### INDUSTRIAL BUSINESS

Amer. L. & A....	\$ 10,192,424	\$ 11,613,514
John Hancock..	15,309,978	62,054,290
Life of Va.....	10,697,121	28,452,437
Metropolitan...	63,109,902	390,937,672
Monumental...	14,958,306	39,316,740
Natl. L. & A....	14,790,793	35,967,025
Prudential.....	85,458,683	502,336,407
Supreme Lib....	10,655,074	7,776,331
Westn. & South.	57,032,146	256,096,657

### GROUP BUSINESS

Aetna Life.....	53,982,615	186,126,094
Equitable, N. Y.	59,955,891	178,425,522
Metropolitan...	122,977,357	286,131,275
Prudential.....	36,006,624	132,874,062
Sun Life, Can..	6,698,995	15,588,220
Travelers.....	33,090,739	142,346,755

## Virginia Investments Liberalized

RICHMOND, VA.—Governor Price has signed the bill permitting domestic life companies to invest in loans insured by the Federal Housing Administration and permits investments in securities issued by national mortgage associations established pursuant to the federal housing act.

Harry Ninde, Jr., of the Lincoln National Life home office staff, has been reelected president of the Fort Wayne (Ind.) Camera Club.